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1959

STATE LEGISLATION

AFFECTING

THE REA PROGRAM



UNITED STATES DEPARTMENT OF AGRICULTURE  
Rural Electrification Administration

1959 Legislative Sessions. The legislatures of 47 states met in regular session in 1959. In 6 of these states special sessions were convened in addition to the regular session. Kentucky, Mississippi, and Virginia did not meet in regular session, although the Virginia legislature held a special session (January 28 to April 24, 1959) on school legislation. There is a possibility that additional special sessions may be convened before the close of the year.

As of the date of the preparation of this report the legislatures of 9 states--Alabama, Delaware, Massachusetts, Michigan, New Hampshire, New Jersey, Pennsylvania, Vermont, and Wisconsin--had not adjourned their regular sessions. Delaware has recessed to January 4, 1960; Vermont to January 12, 1960; Wisconsin to November 2, 1959, and New Jersey has recessed to meet again later this year. Status of legislation reported in these states is as of the date shown on the reports. A supplemental report covering those states whose legislatures have not finally adjourned and any additional special sessions which may convene will be issued at a later date.

Scope of State Reports. The state reports summarize the legislative program of borrowers and their organizations insofar as they were made known to REA. During the sessions, all available sources were utilized to identify, out of more than 75,000 bills which were introduced, those dealing directly or indirectly with the REA programs. Copies of practically all bills so identified were obtained and analyzed, and their final disposition determined and recorded. The reports include all such bills classified according to whether they dealt with electrification or telephone or both, describe them briefly and indicate their disposition.

The reports are not intended as a definitive presentation of all relevant state legislation which was considered in 1959. They serve rather as notice of legislative developments in the fields covered. The bills themselves, particularly those which were enacted, should be examined to determine their effect upon borrowers' programs and activities.

Highlights. The following are the highlights of the 1959 legislative developments which concern the REA programs and borrowers.

## ELECTRIFICATION

Cooperative Enabling Legislation. See "Electrification and Telephone", below, for Alaska legislation.

Amendment of Cooperative Enabling Laws. In seven states, amendatory bills were introduced; in addition several states considered amendments of electric cooperative enabling acts dealing with protection of cooperative territory (see "Protection of Cooperative Territory", below).



Enacted: Three states amended their Electric Cooperative Acts: Kansas to provide for three year staggered terms for trustees; North Dakota by adding a new section requiring a two-thirds vote of all the members of an electric cooperative, after written notice, for disposition in any one year of more than 5% of book value of physical plant; and Vermont to permit by-laws to establish vote required for amendment thereof but prohibit a requirement of a vote less than majority of members voting thereon.

Failed: Four states failed to pass amendatory legislation: Florida to provide that quorum for membership meeting be 100 members or 5%, whichever is less; Maine to permit rural electric cooperatives to exercise the power of eminent domain (see also "Miscellaneous" below); New Mexico to delete provision that by-laws may authorize proxy or mail voting (see also "Protection of Cooperative Territory" and "Taxation" below); and South Dakota to require members voting on a motion to dispose of cooperative property to be present at meeting and vote in person.

Protection of Cooperative Territory. Legislation on this subject was introduced in eleven States:

Failed:

Alaska - to prohibit electric service to premises already receiving service from, or within 1,500 feet of distribution line of another supplier, except with written consent; permit dissatisfied persons to seek relief.

Colorado - to require Public Utilities Commission to grant exclusive certificates to any public utility on finding: that public convenience and necessity requires it; that the territory has been served by facilities of the applicant which have been in existence ten years or more; that the territory involved is not closer to facilities of another utility; that no facilities have been constructed or service rendered in territory involved if it has been previously certificated to another utility.

Montana - to prohibit public utilities and cooperatives from serving persons already served or whose delivery point is within 1,000 feet of existing facilities of another electric supplier; and provide for enforcement by district court and for procedure whereby dissatisfied consumer may obtain release from present supplier if district court finds service inadequate or rates unreasonable.

New Mexico - (a) to amend Rural Electric Cooperative Act definition of "rural area" to include areas annexed to or incorporated into municipalities, and to include municipalities whose population exceeds the statutory limit after cooperative service therein is commenced; (b) to prohibit electric supplier, including cooperatives,



political subdivisions, and public utilities from serving premises already served or about to be served by another supplier without written consent of the other supplier; prohibit a supplier from constructing facilities to unserved premises unless its existing facilities are nearer than those of another supplier; and provide for enforcement by district court, and (c) to require public utility to obtain certificate from commission before extending into territory which is contiguous to its certificated area and is receiving similar service from a cooperative; authorize cooperative to complain to commission over unreasonable interference with its service or system. (This was a substitute for a bill which would have permitted electric cooperative to elect to be subject to commission regulation and provided for territorial agreements and their enforcement.)

(A resolution directing the Legislative Council to study these matters failed.)

Oregon - to authorize electric cooperative by contract with a public utility to designate exclusive service areas and to purchase or trade facilities in an assigned area to avoid duplication; require contracts to be approved by Public Utility Commissioner; and subject contracting cooperative to regulation except as to issuance of securities and rates.

South Dakota - to prohibit electric service to premises served by another supplier except with the written consent of the present supplier of electricity; provide that changes in boundaries of a political subdivision shall not affect the right of power suppliers to continue to serve affected area; and provide for enforcement by Circuit Court and permit consumers to apply to such court for relief when dissatisfied with present electric service.

Tennessee - to prohibit cooperative and municipal electric systems from serving premises already served by another such system; and to provide that such systems shall not, without the written consent of the other, extend service to unserved premises if their electric facilities are farther from the premises to be served; and provide for enforcement by injunction.

Texas - to amend the Electric Cooperative Act to eliminate restrictions on electric service within cities and towns and areas annexed thereto.

Washington - to prohibit electric utilities, including public bodies, cooperatives, and public utility companies, from extending service to consumers presently being served or who have previously been served by another electric supplier or who are located within 1,000 feet of existing facilities of another supplier; and permit consumers to apply to superior court of county for relief when dissatisfied with present electric service.

Wisconsin - to amend 1955 anti-duplication act to exempt from its prohibitions electric service requested for schools.

Pending:

Georgia - one bill amends the Georgia Electric Membership Corporation Act to define the term "rural area" so as to permit cooperatives to continue service in areas annexed to municipalities; another would add language to permit continuation of service in areas annexed to a municipality until facilities are purchased by municipality or franchised utility.

Commission Regulation.

Enacted: Maine, directing the Legislative Research Council to study and report to the 1961 session the feasibility of placing rural electric cooperatives under the jurisdiction of the Public Service Commission.

Failed: Indiana to prohibit Public Service Commission from exercising jurisdiction over obligations issued by electric cooperatives; Iowa to establish a Public Service Commission with jurisdiction over electric utilities, but exempting cooperatives and municipal corporations; Minnesota, one bill to permit the Railroad and Warehouse Commission to regulate electric and gas utilities, with exemption provided for electric cooperatives and municipal plants operating within municipal limits; another bill to create a new Public Utilities Commission to regulate electric and gas utilities; and South Dakota to give the Public Service Commission jurisdiction over electric utilities, including cooperatives and municipalities.

Taxation.

Enacted: Idaho to provide a  $3\frac{1}{2}$  percent tax on annual gross earnings of electric cooperatives, excluding revenues from irrigation and drainage, in lieu of all other taxes on operating property; Nebraska, commencing in 1960, to levy a 5 percent gross revenue tax on public corporations and political subdivisions on retail sale of electricity in cities and villages less an amount equivalent to payments made in lieu of taxes to such cities and villages; and New Hampshire to impose an 8 percent franchise tax on the net income of electric and gas utilities.

Failed: Florida to exempt rural electric cooperatives from the state documentary excise tax; Iowa to provide for the assessment of electric generating plants and equipment so as to spread their assessed value over entire service area instead of at the point of generation; Montana to increase the electrical energy producers license tax from  $1\frac{1}{4}$  to 2 percent; Nevada to exempt rural electric cooperatives from taxation (ruled unconstitutional by the Attorney General); New Mexico



to amend Rural Electric Cooperative Act to exempt cooperatives from excise and sales taxes; Utah to apply sales tax to sales of rural electric cooperatives; and Washington to triple privilege tax on gross revenues of public utility districts.

#### Electrical Licensing and/or Inspection.

Enacted: Colorado, new electrical licensing law; Maine, Minnesota, Oregon, Tennessee, and Washington amendatory laws; Iowa law authorizing cities to regulate and license electrical contractors; Florida, Indiana, and Maryland, local laws.

Failed: Alaska, Minnesota, South Dakota, Texas, and Wisconsin, new general laws; New Jersey and Oklahoma proposals for the licensing of electrical contractors; North Dakota bill requiring the examination and licensing of linemen; a Utah proposal to provide electrical safety inspection on public property; and Washington bills extending to counties the statutory provisions for electrical installation standards and inspection in cities and towns, and to repeal the statutes establishing such standards.

Pending: New Hampshire to regulate and license electricians; and Michigan to amend existing regulatory and inspection law.

#### Power Supply and Electric Lines.

Failed: Arizona to amend the Power Authority Act to give electric cooperatives and municipalities equal preference with power districts in the purchase of power; Indiana to authorize electric cooperatives and municipalities to join together to form nonprofit generating and transmission corporations, to authorize REMC's to enter into wholesale power contracts and to make exclusive power supply arrangements, to provide for the mandatory inspection of transmission lines; Georgia and New York to regulate construction operations in vicinity of high voltage lines; and Tennessee to limit the liability of electric power suppliers for accidents arising from faulty electrical installations.

Pending: New Jersey to require utilities to place their lines underground, and to amend the law relating to precautions to be taken in vicinity of high voltage lines.

#### Atomic Energy - Radiation Regulation.

Enacted: Alaska, California, Kansas, Nebraska, New York, and North Carolina bills regulating and coordinating activities pertaining to the peaceful uses of atomic energy; Arkansas, Illinois, Indiana, Kansas, New Mexico, Ohio, and Oklahoma legislation for the regulation and control of radiation; and Illinois, Missouri, and South Carolina established commissions to study the need for legislation to regulate the peaceful uses of atomic energy.

Failed: Arizona, Minnesota, Montana, and Utah bills for the regulation and coordination of atomic energy activities; and Florida, Maryland, Missouri, Montana, Texas, Vermont, Washington, and Wisconsin radiation control bills.

Pending: Michigan and Pennsylvania bills for atomic energy regulation and coordination and radiation control.

#### Miscellaneous.

Enacted: California authorized public utilities (including cooperatives) to borrow funds to finance the acquisition and installation of electric and plumbing appliances. Maine conferred the power of eminent domain upon a named electric cooperative. New Mexico authorized municipalities to serve areas outside their boundaries but prohibited service in areas served by other suppliers without their consent. A North Dakota resolution requested Congress to retain the present 2 percent interest rate on rural electric loans.

Failed: California proposals for the development of hydroelectric power and providing for preference in sale of power to public bodies and cooperatives; Illinois bill to restrict the service rendered by municipalities in areas outside of municipal limits; Missouri resolution to establish a legislative committee to investigate the management of rural electric cooperatives in Missouri; Montana bill providing for the formation and operation of public utility districts; Nebraska bills prohibiting public power districts from retailing electric appliances, from expending funds for advertising and promotion, except safety measures, and from making political contributions, and requiring districts to report to each municipality income from operations within the municipality; Oregon bills to create a Power Development Commission with authority to generate power by any means and providing for preference in sales to public bodies and cooperatives, and to establish a commission to study expenditures by electric utilities to influence public opinion; and Washington and Oregon bills to provide for a study of a transmission line interstate between California and the Pacific Northwest.

#### ELECTRIFICATION AND TELEPHONE

Electric and Telephone Cooperative Enabling Legislation. A combined "Electric and Telephone Cooperative Act" containing provisions for a gross receipts tax in lieu of all taxes, except the business license fee, was enacted in Alaska.

#### Amendment of Cooperative Enabling Laws.

Enacted: North Carolina amended its Electric (and Telephone) Membership Corporation Act to provide three year staggered terms and



compensation for directors, require terms and conditions of membership to be reasonable, and permit telephone cooperatives in adjoining states to qualify to do business in North Carolina. Wyoming amended its nonprofit corporation law to permit elimination of cumulative voting for directors and lowering of the quorum and voting requirements in connection with amendment of articles of incorporation. California amended its cooperative corporation law to permit amendment of articles of incorporation in manner provided by General Corporation Law. Illinois revised its General Not for Profit Corporation Act. Minnesota amended provisions of its Cooperative Associations Act dealing with amendment of articles of incorporation, board of directors and officers, mail voting, quorum for meetings, and dissolution.

Failed: Iowa bills amending the Cooperative Associations Act to permit distribution of earnings to patrons as well as to members, increase the maximum surplus allowable, and permit the advance payment of patronage dividends to decedents' estates.

#### Commission Regulation.

Enacted: Alaska established a Public Service Commission with jurisdiction over electric and telephone utilities, including municipals and cooperatives, but suspended its application over such utilities pending submission of a report by the Commission and enactment of further legislation. California, Missouri, and Ohio appointed interim committees to study utility regulation by the Public Utilities Commission. Idaho increased terms of Public Utilities Commissioners from 4 to 6 years. North Carolina enacted bills concerning procedure before Utilities Commission, terms of commissioners, and assignment of legal assistants. Washington required its commission in rate determinations to give consideration to earnings of a public service company in excess of reasonable rate of return.

Failed: Iowa and Texas bills to establish regulatory commissions; Florida constitutional amendment to create a Public Utilities Commission to replace the existing Railroad and Public Utilities Commission; Ohio bills replacing the Public Utilities Commission with a Department of Public Utilities, and permitting the commission in making rate determinations to provide for a reasonable average return upon capital actually expended; Maryland and New York measures directing studies of Public Service Commission; California bills prohibiting inclusion of advertising costs in rate determinations and prohibiting giving of undue preference; Indiana bill prohibiting collection of rate increases by electric and telephone utilities, including cooperatives, while court appeal is pending; Kansas bill to provide that utility rates allow reasonable return on capital investment; Missouri bill to require use of original cost, less depreciation, in valuation of utility property for rate purposes; Montana bill to require the use revenue requirements of public utilities in determining rates; and New Hampshire proposal to

prohibit approval of rate increase where a utility dividend exceeds 6 percent.

Pending: Michigan proposals prohibiting inclusion of advertising costs in rate determination, and requiring legislative approval of rate increases.

#### Utility Relocation Reimbursement.

Enacted: Illinois, Iowa, Maine, New Mexico, and Washington measures providing for reimbursement of utilities by state for costs of relocation of facilities occasioned by Federal-aid highway construction; Minnesota amendment to permit the commissioner of highways to include relocation work, if requested by the utility, as part of the state highway construction contract.

Failed: Arizona, Nevada, New York, Ohio, Oklahoma, Oregon, South Dakota, and West Virginia reimbursement bills; Idaho bill to repeal the 1957 reimbursement law; Iowa proposal to prohibit the construction of utility facilities on the interstate system of highways without the approval of the state highway commission; and California bill permitting cities and counties to require utilities as a condition to the issuance of a permit to agree to remove or relocate at their own expense facilities placed on streets or highways.

Pending: Alabama and Pennsylvania reimbursement bills; and New Hampshire bill providing for conveyance to public utilities of property replacing any taken for highway purposes.

#### Unclaimed Property Act.

Enacted: California and New Mexico adopted the uniform act, and Arizona and Utah amended existing laws. Colorado and Florida provided for a study of escheat laws.

Failed: Colorado, Florida, Idaho, Iowa, Minnesota, Missouri, Oklahoma, Texas, and West Virginia rejected bills to adopt the uniform act; and an amendatory Washington bill failed.

Pending: Pennsylvania amendment of existing escheat law.

#### Uniform Commercial Code.

Enacted: Georgia, Indiana, Maine, New Jersey, New Mexico, and Oklahoma provided for interim studies to be made of the code.

Failed: Indiana, Ohio, Vermont, and Washington bills adopting the code, and California and Minnesota proposals to create study commissions.

Pending: New Hampshire bill enacting the code; Pennsylvania bill



amending the code to conform to the 1958 edition; and a Wisconsin resolution creating a study commission.

#### Taxation.

Enacted: Minnesota and Wisconsin resolutions requesting Congress to oppose measures impairing tax status of cooperatives. Ohio continued its utilities gross receipts tax. Pennsylvania increased its sales and use tax from 3% to 3½%. South Carolina extended the 3% sales tax to electric and telephone service. Washington extended its 3.6% sales tax to utilities regardless of whether or not they are regulated.

Failed: Arizona bill extending its 1% gross receipts tax on electric and telephone service to municipalities and power districts; California bill to eliminate utilities exemption from sales and use tax law; Illinois bills providing for imposition of occupation and privilege taxes on utilities; Iowa bill permitting municipalities to levy a 2% franchise tax; Kansas bills providing for uniform classification and assessment of utility property; Nebraska bills to repeal utility franchise tax and provide for imposition of a real and personal property tax; and North Dakota, Ohio, South Dakota, and Texas bills empowering municipalities to levy a gross receipts tax.

#### Miscellaneous.

Enacted: Alaska resolution requesting REA Administrator to make studies and investigations of condition and progress of rural electrification and telephone service in Alaska; North Dakota bill to prohibit the construction of any utility line within 102 feet of a state highway and 77 feet of a county highway; and Tennessee resolution directing the Legislative Council to study the organization and operation of electric and telephone cooperatives.

Failed: Tennessee bills to require utilities to pay interest on deposits for meters or for furnishing of service and for the licensing of persons engaged in the business of tree surgery and tree trimming or pruning; North Dakota bill to provide that utility rights of way may be acquired only by purchase when not parallel or adjacent to section lines; Arizona, Illinois, Iowa, Maryland, and West Virginia measures regulating junk dealers; Florida bills relating to minimum clearances for electric and telephone lines over highways and prohibiting placement of utility poles on road rights-of-way; and Montana bill concerning raising or moving of utility lines or poles in rural areas to permit the moving of structures.

Pending: New Hampshire amendment of existing law regulating the placing of utility poles along highways and clarifying rights of parties for injuries arising out of placement of such facilities; and Pennsylvania measures regulating junk dealers.

## TELEPHONE

### Amendment of Cooperative Enabling Law.

Enacted: Oklahoma amended its Rural Telephone Cooperative Act to broaden the Corporation Commission's authority to declare service territory open when inadequately served and amended definition of "rural area" so as to include other areas which do not have reasonably adequate service.

### Taxation.

Enacted: Oregon amended its law relating to taxation of rural telephone exchanges by making it applicable to telephone companies with less than 10,000 subscribers.

Failed: Idaho bills removing the exemption from ad valorem taxation of nonprofit cooperative telephone lines, restricting the exemption from property tax of cooperative telephone lines to those which are nonprofit and on which no fees or tolls are charged and to systems with 50 or less subscribers; South Dakota bills fixing the assessed value of telephone companies at not less than 60 percent of estimated value, and providing that rural telephone companies failing to report gross receipts to the Commissioner of Revenue shall be subject to ad valorem taxation; Maine and Montana bills increasing the rate of excise tax on telephone gross operating revenues; Texas proposal making gross receipts taxes levied on telephone companies uniform with those levied against gas, power, and water companies; and West Virginia bill authorizing municipalities to levy an annual privilege tax on telephone companies doing business within the municipal limits.

### Party Line Telephones.

Enacted: Illinois, Iowa, and South Dakota adopted laws providing penalties for failure to relinquish party line telephones in cases of emergencies.

Pending: Similar legislation in Wisconsin.

### Federal Telephone Excise Tax.

Enacted: Georgia, Illinois, North Dakota, Oklahoma, Oregon, South Carolina, Tennessee, and West Virginia adopted resolutions memorializing the Congress to repeal the Federal excise tax on local and long distance telephone service.

Failed: An Ohio resolution of the same tenor failed.



Miscellaneous.

Enacted: Florida increased the penalty for damaging or tapping telephone lines. Nebraska required telephone companies to file territorial maps with the State Railway Commission. Michigan amended its laws relating to organization of telephone companies and sale of telephone lines and facilities.

Failed: Florida bills providing for fixing rates by the Railroad and Public Utilities Commission, requiring telephone companies to pay counties for use of road rights-of-way and to place lines underground when so directed, and prohibiting more than one telephone company in a subdivision; Illinois bill setting maximum rate for local telephone calls within a county; Indiana bill requiring telephone companies to keep two operators on duty at all times; New Mexico bill restricting the number of persons on a party line in urban and rural areas to 4 and 5 respectively; New York bills requiring telephone companies to install meters indicating number of outgoing calls, and that telephone rates shall be based on reasonable return on capital actually expended; Texas bills requiring that in the establishment of rates in cities, income from toll calls be considered, and providing for regulation by cities of toll charges for service in rural areas outside the cities; and Washington resolution directing a study of Public Service Commission's procedures regarding telephone rates, tolls, etc.

Ira Shesser

Office of the Administrator

Charles U. Samenow

August 31, 1959







1959 Delaware Legislation - Interim Report  
Session: January 6, 1959 to  
(Legislature recessed from August 12, 1959 to January 4, 1960)

Legislative Program

Electrification

No legislative program was undertaken by REA borrower in Delaware.

Telephone

No telephone borrowers.

Legislation Considered

Electrification and Telephone

Enacted

Public Service Commission - Fees - Investigation Expenses - H.B. 270, approved July 9, 1959, amends Sec. 113, Title 26, Delaware Code, establishing a new and more inclusive schedule of fees to be charged public utilities; providing for charging against the utilities involved the Commission's costs in conducting investigations, hearings and proceedings and in connection with court appeals, but limiting the total aggregate amount that may be charged in any calendar year to one-half of one percentum of the utility's gross operating revenues derived from intrastate utility operations in the last preceding calendar year but not to exceed \$50,000 and permitting appeal by the utility on the reasonableness of the bill; and from amounts collected establishes a revolving fund for the Commission to be used for payment of salaries and expenses. (H.B. 332, a similar bill, was superseded by H.B. 270.)

Pending

Public Service Commission - Rate Increases - H.B. 219, pending in House Committee on Revised Statutes, would amend Chap. 1, Title 26, Delaware Code, by limiting the frequency of utility rate increases.





1959 Maine Legislation - Final Report  
Session: January 7 to June 13, 1959

Legislative Program

Electrification

An REA-financed electric cooperative sponsored legislation (see H.P. 121, below--failed) amending the 1941 Cooperative Enabling Act to empower electric cooperatives generally to exercise the power of eminent domain with the approval of the Public Utilities Commission. This legislation was superseded by a special bill (see H.P. 818, below--enacted) authorizing the individual cooperative to take by eminent domain such lands and easements as required for its transmission lines of 5,000 volts or more subject to certain limitations and the requirement of commission approval.

Telephone

No legislative program was reported to have been undertaken by Maine telephone borrowers.

Legislation Considered

Electrification

Enacted

Eastern Maine Electric Cooperative - Eminent Domain for Transmission Lines - H.P. 818, approved, authorizes this individual cooperative to take by eminent domain lands and easements required for transmission lines of 5,000 volts or more in the same manner and subject to the same conditions as prescribed by statute for other takers, subject to the approval of the Public Utilities Commission and to the conditions that the lands and easements so taken shall not be located within 300 feet of inhabited dwellings, nor adjacent to any developed or undeveloped water power, nor so close to existing utility or other cooperative wire lines as to interfere therewith (except with the consent of the owners), nor those owned or used by railroad corporations. (This bill superseded a proposal to give eminent domain authority to all electric cooperatives, see H.P. 121, below--failed.)

Electric Cooperatives - Study of Public Utilities Commission Jurisdiction and Eminent Domain Power - H.P. 961, adopted May 21, 1959, directed the Legislative Research Committee to study and report to the 1961 session the feasibility of placing rural electric cooperatives under the jurisdiction of the commission in the same manner as private utilities are regulated under R.S. 1954, Chap. 44 and whether or not electric cooperatives should be permitted to exercise the power of eminent domain.

Water Storage - S.P. 467, approved, Chap. 325, adds new provisions to Chap. 180, R.S. to authorize augment from sources other than the natural drainage area the supply of water stored in a reservoir or basin and to discharge such water and to authorize the exercise of eminent domain as required for such purposes, subject to receiving necessary authority by legislative act; and furnishes such authority to Central Maine Power Company for a pump storage development at Clear and Rowe Ponds in the Plantation of Pleasant Ridge, Somerset County for power generation using water pumped from Wyman Lake. (S.P. 467 superseded S.P. 391 which was identical except for requirements of legislative authorization which were added by the later bill.)

Electrical Installations - Limited Electrician's Licenses - S.P. 193, approved March 13, 1959, Chap. 47, amends R.S. Chap. 82, Sec. 2 (VI) relating to limited electrician's licenses extends the provisions governing same to specific electrical installations as well as to specific types of electrically operated equipment.

#### Failed

Cooperative Enabling Act - Amendment - Eminent Domain - H.P. 121, died in committee, would have amended R.S. Chap. 51, Sec. 4, VII, enumerating the powers of electric cooperatives by striking the exclusion of cooperatives from exercise of the power of eminent domain and permitting its exercise with the approval of the Public Utilities Commission. (See H.P. 818, above--enacted. This bill was sponsored by Eastern Maine Electric Cooperative and was abandoned in favor of the special act when opposition developed.)

#### Electrification and Telephone

##### Enacted

Utility Relocation - Reimbursement - Limitation - S.P. 410, approved April 17, 1959, Chap. 203, adds a provision to the 1957 acts on this subject limiting reimbursement to the 90% federal funds available for projects in the interstate system and to contracts signed prior to June 30, 1961.

Uniform Commercial Code - Statutory Revision - H.P. 681, approved June 12, 1959, directs the appointment by the Chief Justice of the Supreme Judicial Court of a committee of three members of the bar to arrange for the preparation of the necessary repealing and amendatory provisions of the Revised Statutes, and the annotation thereof, to conform to the Uniform Commercial Code, and provides an appropriation therefor.

#### Telephone

##### Failed

Excise Tax on Telephone Companies - H.P. 774, died in House, would have amended R.S. Chap. 16, Sec. 128, by increasing the rate of annual excise tax on telephone gross operating revenues within the state from 1-3/4 to 2% when such revenues are between \$10,000 and \$20,000 annually, and to 4% from 2% on revenues between \$20,000 and \$40,000.



1959 Maryland Legislation - Final Report  
Session: January 7 to April 4, 1959

Legislative Program

Electrification

REA borrowers supported Potomac River survey legislation (see H.J. Res. 19, below, enacted).

Legislation Considered

Electrification

Enacted

Potomac River Basin Survey - H.J. Res. 19, approved April 8, 1959, Res. 20, urges Congress to appropriate sufficient funds to enable the U.S. Corps of Engineers to complete, as expeditiously as possible, its survey report on the comprehensive development of the Potomac River basin water resources.

Electrical Licensing - Local Law - H.B. 613, approved April 28, 1959, and effective June 1, 1959, Chap. 756, adds Secs. 183A to 183S to Article 15, Code of Public Local Laws, to provide for the creation of a Board of Electrical Examiners for Kent County with power to examine and license electricians and establish rules and regulations governing electrical installations. Sec. 183Q provides that electric companies may not attach their lines to a consumers property unless the building was wired before July 1, 1959, or the work has been performed by a licensed electrician and a meter cut-in certificate has been issued by the Middle Department Rating Association, Middle Division.

Failed

Public Service Companies - Electric Street Lights - H.B. 590, died in House, and S.B. 482, passed Senate, died in House, would have added Sec. 54A to Art. 78, Code of Md., to require electric companies furnishing street lighting facilities in residential areas to provide reflector shields to prevent undue annoyance from glare.

Radiation Protection Act - S.B. 384, died in Senate, would have added Secs. 674 through 686 to Art. 43, Code of Md., relating to control, prevention, and prohibition of radiation within the State. The bill would have given the State Board of Health responsibility for the development of policies and regulations over the use of radioactive sources and materials.

## Electrification and Telephone

### Enacted

Public Service Commission - Filing Fees - H.B. 276, approved March 11, 1959, Chap. 195, amends Sec. 88(d) of Art. 78, Code of Md., providing for payment of annual filing fees by public service companies, by requiring the payment of such fees only from companies whose gross receipts amount to \$10,000 or more.

### Failed

Public Service Commission - Peoples Counsel - S.B. 226, vetoed by the Governor, would have amended Sec. 15, Art. 78, Code of Md., relating to the office of People's Counsel by requiring that offices separate from the Public Service Commission and technical and clerical personnel plus adequate funds be provided the Counsel. (H.B. 196 was a companion bill in the House.)

- Rates - H.B. 198, died in House and S.B. 225, died in Senate, would have amended Sec. 69, Art. 78, Code of Md., defining the term "just and reasonable rates": by limiting utilities in their deductible expenditures for prosecution of cases before the Public Service Commission to the amount provided the People's Counsel in these cases, any excess not to be included in computing the company's rate base and by providing that the Commission may, in determining fair and reasonable rates, take into consideration the adequacy of the service provided and the economic factor that a rate increase might reduce revenues when the increase places the company at a competitive disadvantage.

- Commissioners - H.B. 197, died in House, and S.B. 227, died in Senate, would have amended Secs. 5, 6, and 7, Art. 78, Code of Md., relating to the Commissioners of the PSC by providing that one of the commissioners be a certified public accountant; that the chairman be appointed for a term of eight years at a salary of \$15,000 (instead of \$9,000) per annum and that he devote his full time to the position.

- Study by Legislative Council Committee - S.J.R. 5, died in Senate, would have provided for further studies of the Public Service Commission by a Legislative Council Committee with particular reference to (a) funds expended by public service companies and the People's Counsel in prosecuting cases before the PSC; (b) financial relationships between regulated and unregulated companies, and (c) adequacy of supervision of public service companies by the staff of the PSC.

(The above series of bills carried out the recommendations made by the Legislative Council Committee in its report of December 1958.)



- Commissioners - H.B. 408, died in House, would have amended Sec. 5, Art. 78, Code of Md., relating to membership of the PSC to require that one member be an attorney.

- Rate Refunds - H.B. 412, passed House, died in Senate, would have added Sec. 71A to Art. 78, Code of Md., to provide that in the event of a court finding that a public service company rate is excessive a refund with interest shall be made to the consumers. Where a refund is not practicable the company shall charge off and amortize, by means of a temporary decrease, to be fixed by the Commission, below the rate as finally determined, the difference between the operating revenues under the rates charged and the operating revenues that would have been obtained from the same volume of business from the rates as finally determined.

Junk Dealer - Stolen Goods - H.B. 288, died in House, would have added Sec. 55A to Art. 27, Code of Md., to require junk dealers purchasing scrap iron, electrical appliances, plumbing fixtures, etc., to obtain an authorization from the owner of the property that the dealer or peddler has the right to dispose of said property and requiring the junk dealer to check local police records for stolen property.

#### Telephone

#### Enacted

Telephone Service - Fraud - S.B. 312, approved April 8, 1959, Chap. 389, adds Sec. 19A to Art. 27, Code of Md., to make it a misdemeanor for any person to obtain telephone services from any telephone company, firm or private person with intent to cheat or defraud.

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1959 New Hampshire Legislation - Interim Report  
Session: January 7 to  
(Status of report as of August 18, 1959; legislature still in session)

Legislative Program

Electrification and Telephone

No legislative program was undertaken by REA borrowers in New Hampshire.

Legislation Considered

Electrification

Enacted

Utilities Franchise Tax - H.B. 165, approved May 8, 1959, Chap. 86, and effective January 1, 1960, adds Chap. 83-B, Rev. Stats. Ann. to impose a tax upon the franchise of electric and gas utilities at the rate of 8 percent annually on the income such utility derives within the state. Net income is defined to mean the net utility operating income less deductions from income as reported in accordance with the applicable uniform classification of accounts of the public utilities commission. (This act repeals and replaces the 4% franchise tax imposed by Chap. 5, Special Session, 1958, which added Chap. 83-A to the revised Statutes Ann. It carries out the recommendations of the Utility Tax Study Commission appointed pursuant to the 1958 act. Prior to enactment of H.B. 165, the House requested and received an opinion from the Justices of the Supreme Court of New Hampshire that a tax on the franchises of electric and gas utilities was not unconstitutional and that tax rate of 8 percent measured by income as defined in the bill would not be confiscatory.)

Awaiting Governor's Action

Building Codes - Adoption by Reference - H.B. 477, passed House, passed Senate amended, and conference report concurred in by both houses on July 28, amends the Revised Statutes Ann. by adding Chap. 156-A authorizing towns to adopt building codes, including codes relating to installation of electric wiring and plumbing, by reference in the ordinance to the appropriate nationally recognized code.

Pending

Utilities - Sale of Appliances - H.B. 374, pending in House committee, would add Chap. 366-A:1 to Revised Statutes Ann. to prohibit electric or gas public utilities, except municipal utilities,



from selling or offering to sell any appliance, device or equipment designed or intended to be used by a purchaser for or in connection with the consumption of such gas or electric energy and provide penalties for violation.

Electricians - Licensing - S.B. 85, pending in Senate committee, would amend the Revised Statutes Ann. by adding new Chap. 318-A providing for the registration and licensing of electricians and prohibiting the installation, maintenance or repair of wires or other equipment carrying or using electricity except by licensed electricians, and establishing a board of examiners consisting of the State fire marshal and two gubernatorial appointees who would be empowered to conduct examinations and issue licenses for electricians. Work performed by electric utilities in connection with the maintenance and operation of their facilities is exempt from the provisions of this chapter. (H.B. 262, died in House, would have added Chap. 318-A to the Revised Statutes Ann. to provide for the registration and licensing of electricians by cities and towns and established a three member examining board to be appointed by the mayor to conduct examinations and license electricians.)

#### Electrification and Telephone

##### Enacted

Engineers - Registration - H.B. 64, approved April 8, 1959, Chap. 38, amends various sections of Chap. 319, Revised Statutes Ann., relating to registration and requirements for issuance and renewal of certificates of registration for professional engineers.

##### Awaiting Governor's Action

Utility Poles - Placement on Highways - Liability of Utilities - S.B. 42, passed Senate, with amendments, April 1, 1959, passed House, with amendments, July 21, 1959, Senate concurred in House amendment July 28, 1959, amends Chap. 254, Revised Statutes Ann., relating to the placement of poles and utility structures in highways; RSA 254:3, subsection V is amended to provide the pole licenses may include reasonable requirements for the placement of reflectors on poles. RSA 254:3 subsection II is amended to provide that permits to replace existing poles may not be granted unless the replacement is erected at least 20 feet from the surfaced edge of the highway or easement but allows such requirement to be waived for good cause. RSA 254:15 is amended to provide that unlicensed poles shall be removed upon demand by the authority having jurisdiction over place where pole is located. RSA 254:10 and RSA 254:18 are amended to clarify the liability of owners of utility facilities to persons receiving injury from utility structures.

Public Utility Commission - Expenses - S.B. 80 passed Senate, July 16, passed House, August 18, amends RSA 363-A:1 and A:2, relative to assessment of expenses of the public utilities commission against certain public utilities.

Pending

Public Utility Commission - Appointment of Commissioners - S.B. 123, pending in Senate, relates to the appointment of public utilities commissioners.

Public Utilities - Rate Proceedings - S.B. 46, pending in Senate, would add RSA 7:12-a and b to authorize the attorney general to engage consultants in public utility rate proceedings and providing for recovery of the costs from the public utility involved.

Utility Facilities - Relocation - S.B. 59, passed Senate, amended August 4, 1959, pending in House, amends RSA 232 by adding section 7 providing that when the property rights of a public utility are acquired in connection with the construction or alteration of a highway that there be acquired and conveyed to the public utility such land or rights in land as may be required to relocate the facilities of the utility.

Uniform Commercial Code - H.B. 351, passed House, August 4, pending in Senate, enacts the uniform commercial code which affects commercial transactions including the form and recordation of chattel mortgages.

Failed

Public Utilities Commission - Membership - H.B. 44, died in House, would have amended RSA 363:1, 363:2, and 363:3, to increase the membership of the public utilities commission from three to five members and reduce the terms of office from six to five years.

- Approval of Rates - H.B. 68, died in House, would have added RSA 378:7-a to provide that the public utilities commission shall not authorize an increase in rates for utilities paying a dividend on its stock in excess of six percent per annum based on par value; or if stock has no par value, on the basis of the average price of sales made in the month of November 1958.

THE UNIVERSITY OF CHICAGO  
DEPARTMENT OF THE HISTORY OF ARTS  
AND ARCHITECTURE

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1959 New Jersey Legislation - Interim Report  
Session: January 13 to  
(On July 27, 1959 the Senate adjourned to August 31, 1959,  
and the House adjourned to November 16, 1959)

Legislative Program

Electrification and Telephone

No legislative program was undertaken by REA borrowers.

Legislation Considered

Electrification

Pending

Electric Lines - Placement Underground - S.B. 110, pending in Senate Committee on Business Affairs, provides that all new installations of wires used to conduct electricity for light, heat, and power shall be in underground pipes or conduits. The Board of Public Utility Commissioners is empowered to order wires heretofore installed to be placed underground whenever the Board shall find that public safety, health, and general welfare require such action; expense of construction or reconstruction to be borne by the utility, unless in case of construction involving state highway or county roads agreement is reached with the State Highway Commissioner or county board of freeholders to share a portion of the expense.

High-Voltage Lines - Precautions - A.B. 618, passed Assembly, pending in Senate, amends Chap. 249, Laws 1948, relating to precautions to be taken in the proximity of high-voltage lines for the prevention of accidents, by clarifying the definition of "high-voltage lines" and various provisions regarding the requirements to be followed by persons engaged in any activity within the immediate vicinity (6 feet) of high-voltage electric lines.

Public Utilities - Gross Receipts Tax - S.B. 85 and A.B. 675, pending in Assembly, would amend Chap. 5, Laws 1940, as amended, relating to taxation of the gross receipts of certain public utility corporations occupying the public streets, highways, roads or other public places, by providing that the tax on gross receipts from business done in the State for the preceding calendar year be at the rate of  $7\frac{1}{2}\%$  (instead of the "average rate of taxation" with a minimum of 5% and a maximum of  $7\frac{1}{2}\%$ ) and eliminating provisions for calculating the "average rate of taxation".

Failed

Electrical Contractors - Licensing - A.B. 460, died in Assembly, would have provided for the creation of a seven member Board of Examiners of Electrical Contractors in the Department of Law and Public Safety to license, examine and regulate electrical contractors; prohibited electrical contracting work by any person other than licensees; provided for suspension of licenses of contractors found guilty of fraud or wilful negligence; and exempted electrical work or construction performed by municipal plants or public utilities and other specified enterprises.

Electrification and Telephone

Enacted

Uniform Commercial Code - Study - S.B. 172, approved and effective June 3, 1959, Chap. 66, creates a ten member Uniform Commercial Code Study Commission to study the effect of the adoption of the Uniform Commercial Code on existing statute law and commercial practice in New Jersey and report its findings and recommendations to the 1960 session of the Legislature.

Public Utilities Board - Fees - A.B. 143, approved and effective May 28, 1959, Chap. 43, amends Sec. 48:2, Revised Statutes, to increase the schedule of fees charged by the Board and applicable to all public utility companies.

Pending

Public Utility - Continuation of Service - A.B. 317, pending in Assembly, would authorize municipalities to provide by ordinance for the rendering of service by a public utility during emergencies due to the discontinuance of such services because of the non-payment of service charges by persons other than those who need and require the services, where deprivation of said services to such persons would constitute an interference with the protection of persons and property and with the public health, safety, and welfare of the municipality and its inhabitants.

- Labor Disputes - A.B. 289, pending in Assembly, would repeal Chap. 38, Laws 1946, as amended, concerning labor disputes in public utilities and providing for compulsory arbitration.

- Appeal to Board of Public Utility Commissioners - S.B. 265, passed Senate, pending in Assembly, would permit any public utility aggrieved by action of a planning board or the governing body of a municipality to appeal such action to the Board of Public Utility Commissioners.

Tax Code - Revision - S.B. 81, passed Senate, pending in Assembly, would amend the New Jersey tax code (Chap. 54, Rev. Stats.) by substituting taxable value for true value as the basis of assessment by the Director of the State Division of Taxation, by county boards of taxation and other taxing districts; prescribing various percentages of fair value at which the taxable value of specific types of tangible personal property shall be determined; prescribing the times and forms of returns of personal property; and prescribing the taxable value of real property to be 50% of its full and fair value as determined pursuant to statute.





1959 New York Legislation - Final Report  
Session: January 7 to March 25, 1959

Governor's Message

The following excerpts are from the January 7, 1959, message of Governor Nelson A. Rockefeller to the New York Legislature:

"Atomic Energy

". . . From the point of view of the development of all aspects of atomic energy in our Empire State, the early enactment of a State Atomic Energy Law is essential. I therefore recommend legislation to achieve three basic purposes:

"--To establish within the Executive Department, responsible to the Governor, an agency to plan and coordinate atomic development and regulation within the State and to recommend needed changes in State laws.

"--To charge this new agency with responsibility within the State for the collection and dissemination of nuclear information, for cooperation with the appropriate atomic agencies of the Federal and other state governments, and for cooperative action with private atomic enterprise.

"--To authorize this new agency to sponsor such studies as may be needed to recommend a positive program for the development of atomic energy within the State, including the encouragement of nuclear projects by private industry and the furtherance of nuclear research and education."

(NOTE: In a special message to the legislature on February 17, 1959, the Governor recommended the creation of an Office of Atomic Development.)

Legislative Program

REA borrowers did not undertake a legislative program.

Legislation Considered

Electrification

Enacted

State Atomic Energy Law - S. 3569, approved March 9, 1959, Chap. 41, adds Article 19-d to the Executive Law entitled "State Atomic Energy Law" which provides for the regulation, coordination and development within the State of facilities for the peaceful utilization of atomic energy. The act creates the office of atomic development to direct state activities and provides for a coordinating council made up of representatives of state agencies having an interest in this field and a 15 member advisory committee to be appointed by the Governor, (A. 4169, a companion bill, died in Assembly).

Nuclear Research Center - S. 3582, approved April 17, 1959, Chap. 515, appropriates \$1,000,000 to the office of atomic development to contract for the establishment of a nuclear research center affiliated with the University of Buffalo. (A. 4213, a companion bill, died in Assembly.)

Water Resources Development - S. 3173, approved April 24, 1959, Chap. 843, amends the conservation law in relation to water resources planning and development by providing for local participation and assistance in planning for the protection, control, conservation, development, and beneficial utilization of the water resources of the state. (A. 4131, a companion bill, died in Assembly.)

Failed

Electrical Generators - Interconnection - S. 1596, vetoed April 22, 1959, and A. 2024, died in Assembly, would have added Sec. 1921 to the Penal Law, to prohibit connection of an electric generator to an electrical system, circuit or equipment of any kind until written notice is given to municipality or electric corporation which provides regular supply of electricity to location. It would have also required that every stand-by generator be equipped with a double throw switch designed to prevent back feeding into an electric system. (A similar bill passed both houses in the 1958 session and was vetoed.)

Electrical Inspection - Municipal Regulation - S. 3301, died in Senate, would have added Sec. 137-c, General Municipal Law, to authorize municipal governing board which has electrical code or ordinance regulating manner of construction, alteration, removal and inspection of electrical facilities, to provide that such work must be done so as to be reasonably safe to persons and property and that equipment and appliances used or installed shall meet same requirements. The code may provide that compliance with national electrical code shall be prima facie evidence of safety. (A similar bill passed both Houses in the 1958 session and was vetoed.)

Electric Lines - Construction Equipment - S. 1768 and A. 2573, passed in Assembly but died in Senate, would have added new Sec. 1921 to the Penal Law, to prohibit the operation of cranes, derricks, etc. within six feet of high voltage lines and required the placement of warning signs.

Power Authority - Niagara Project - Payments in Lieu of Taxes - S. 1622, died in Senate, and A. 1534, died in Assembly, would have authorized the State Power Authority to make payments in lieu of taxes in connection with the Niagara project.



Water Resources - Conservation - A. 3819, died in Assembly, and S. 3456, died in Senate, would have amended the conservation law in relation to consolidation, clarification, and rearrangement of provisions relating to water resources, including the development of water power.

- Investigation - S. 2748, died in Senate, and A. 3426, died in Assembly, would have created a temporary commission on water resources planning to make studies and investigations in relation to multi-purpose planning for the conservation and development of the water resources of the state.

Great Lakes Basin Compact - A. 855, died in Senate, would have ratified the Great Lakes Basin Compact for the development, use, and conservation of water resources for various purposes including the generation of hydroelectric power.

## Electrification and Telephone

### Enacted

Public Utilities - Issuance of Securities - S. 2642, approved April 20, 1959, Chap. 587, amends Secs. 55, 62, 69, 82, 89-f, and 101 of the Public Service Law relating to the issuance of securities by public utilities and requiring the filing of reports concerning such securities with the Public Service Commission. (A. 3175, a companion bill, died in Assembly.)

Public Utilities - Stock Dividends - S. 3460, approved April 21, 1959, Chap. 606, amends Secs. 55, 62, 69, 82, 89-f, and 101 of the Public Service Law to authorize the issuance of stock dividends by public utilities.

### Failed

Utility Relocation - Reimbursement - S. 832, died in Senate, A. 1628, died in Assembly, would have provided for reimbursement of public utilities for relocation of facilities occasioned by Federal-aid highway construction. (A similar bill passed both Houses in the 1958 session and was vetoed.)

Public Service Commission - Study - A. 266 and A. 2670, died in Assembly, would have provided for the appointment of a temporary legislative and executive commission to study and revise the Public Service Law and procedures of the Public Service Commission.

- Rate Hearings - A. 1095, died in Assembly, would have added Sec. 49-a to Public Service Law to provide that Public Service Commission rate hearings be held in county or counties most affected thereby.

- Rate Changes - A. 128, died in Assembly, would have amended Sec. 29, Public Service Law, to strike out provision permitting Public Service Commission to allow rate changes without 30 days notice and publication by filing and publishing order specifying change.

Commissioners - A. 3398, passed Assembly, died in Senate, would have amended Sec. 4 of the Public Service Law, to provide for the election in place of appointment of Public Service Commissioners.

Pole Carriers - S. 2766, died in Assembly, would have amended Sec. 14, Vehicle and Traffic Law, to include in the provisions fixing maximum length of vehicles, those hauling poles, girders, etc.

Herbicides - Application - A. 308 and A. 407, died in Assembly; S. 191 and S. 297, died in Senate, would have amended the Agriculture and Markets Law to add provisions controlling the application of insecticides, fungicides, and herbicides by aircraft or ground equipment.

#### Telephone

##### Failed

Telephone Rates - S. 404, died in Senate, and A. 547, died in Assembly, would have amended Public Service Law to provide that rates and charges for telephone and telegraph . . . . corporations shall be based on reasonable average return on capital actually expended, instead of value of property actually used in public service.

- A. 1097, died in Senate, similar to S. 404 and A. 547, but would have added further limitation to restrict rate of return to 6% per year.

Telephone - Metering - A. 339, died in Assembly, would have amended Public Service Law to require telephone corporations to install metering device on each telephone to indicate the number of outgoing calls and to charge for use of telephone for local calls on basis of number of such calls.



1959 North Carolina Legislation - Final Report  
Session: February 4 to June 20, 1959

Legislative Program

Electrification and Telephone

Tarheel Electric Membership Association and Carolina-Virginia Telephone Membership Association sponsored legislation (see S.B. 240, below--enacted) amending the Electric Membership Corporation Act to provide for three-year staggered terms for directors if the by-laws so provide; for compensation to the directors not exceeding \$20 per day; that terms and conditions of membership shall be reasonable and that no applicant be rejected without good cause; and for qualifications of telephone corporations in adjoining states to do business in North Carolina.

Legislation Considered

Electrification

Enacted

Atomic Energy - Development - Radiation Control - S.B. 253, ratified and effective May 12, 1959, Chap. 481, declares a state policy favoring adaptation of laws and regulations to encourage and support a program of information and research relative to atomic developments, to coordinate studies within the state and with regulatory activities in other states and in the Federal Government, and to provide for safety in the use of radiation devices; establishes an Atomic Energy Advisory Committee to evaluate studies and recommendations of the state departments and agencies and to serve in an advisory and coordinating function; and empowers the State Board of Health to adopt rules and regulations for radiation equipment and radioactive materials. (H.B. 594 was the companion bill in the House.)

Water Resources - H.B. 33, ratified June 9, 1959, and effective July 1, 1959, Chap. 779, establishes a Department of Water Resources to coordinate the State's water resource activities and to plan for more beneficial use thereof; with power to declare a water emergency and to divert water in emergency areas and to make rules and regulations governing the conservation of diverted waters; to initiate rivers and harbors programs and to cooperate with Federal agencies; to regulate by permit the utilization of water in such amounts as reduce the volume or flow of streams, rivers, etc.; to register farms engaged in well drilling; and to administer statutory provisions for water pollution control through a Division of Water Pollution Control. (S.B. 20 was the companion bill in the Senate.)

Utilities Commission - Meter Reading and Billing - S.B. 333, ratified and effective June 16, 1959, Chap. 987, amends G.S. 66-9 to clarify the authority of the commission with respect to methods and times of meter reading and rendering bills.

Building Inspection - Counties - H.B. 369, ratified and effective June 12, 1959, Chap. 940, adds G.S. 153-9.49 to authorize county commissioners to appoint building inspectors to enforce county building regulations and zoning ordinances, and to designate as county building inspector a county electrical inspector appointed under G.S. 160-122.

### Electrification and Telephone

#### Enacted

Electric Membership Corporation Act - Amendments - S.B. 240, ratified and effective April 28, 1959, Chap. 387, amends the Electric Membership Corporation Act (pertains to both electric and telephone cooperatives), G.S. 117-13, 117-16, and 117-28 to permit cooperative bylaws to provide for three-year staggered terms for directors and for compensation to directors not exceeding \$20 per day for attendance at meetings; to require that terms and conditions of membership shall be reasonable and no application shall be denied without good cause; and to permit telephone cooperatives in adjoining states to qualify to do business in North Carolina in the same manner as electric cooperatives. (H.B. 566 was the companion bill in the House.)

Public Utilities - Interest on Refunds - H.B. 451, ratified and effective May 1, 1959, Chap. 422, amends G.S. 62-71 by requiring that bonds filed by the utilities in order to place suspended rates in effect shall be conditioned upon the payment of 6% interest on refunds as well as repayment of any excess determined by the commission.

Utilities Commission - Miscellaneous Amendments of Utilities Act - S.B. 45, ratified May 27, 1959, and effective July 1, 1959, Chap. 639, amends G.S. Chap. 62 in several particulars dealing with practice and procedure before and reports to the Utilities Commission.

- Terms, Compensation and Emergency Assignment of Retired Commissioners - H.B. 388, ratified and effective June 20, 1959, Chap. 1319, fixes the terms of commissioners; establishes salary as the same as those paid Superior Court judges with \$500 additional per annum for the chairman, and prohibits the practice of law by commissioners; gives commissioners the same retirement benefits as Superior Court judges; and makes retired commissioners subject to emergency assignment. (S.B. 229 was the companion bill in the Senate; S.B. 55 and H.B. 125, similar bills which died in committee, would also have reduced the number of commissioners from five to three.)



- Assignment of Legal Assistance - S.B. 56, ratified and effective April 30, 1959, Chap. 400, amends G.S. 62-10.2 to provide for staff attorneys, in addition to assignment of an assistant attorney general to the commission. (H.B. 126 was the companion bill in the House.)

Municipalities - Extra-Territorial Functions - H.B. 373, ratified and effective June 19, 1959, Chap. 1204, adds G.S. 160-181.2 authorizing municipalities having population of 2,500 or more to exercise their corporate powers in territory extending for a distance of one mile beyond the corporate limits but not with respect to bona fide farms, and requiring the addition to the zoning commission, the board of adjustment, or planning board of three additional members representing the extra-municipal areas.

Counties - Zoning Outside Zoning Jurisdiction of Municipalities - H.B. 372, ratified and effective June 16, 1959, Chap. 1006, adds Art. 20B to Chap. 153 G.S. to authorize county boards of commissioners to regulate, restrict, and zone buildings and land, other than bona fide farms, outside the zoning jurisdiction of municipalities.

TVA Payments in Lieu of Taxes - Distribution - H.B. 682, ratified June 17, 1959, and effective July 1, 1959, Chap. 1060, amends Chap. 105, Art. 38 G.S. relative to apportionment between local governments of payments received from TVA in lieu of taxes.

#### Failed

Municipalities - Extra-Territorial Functions - H.B. 488, died in House committee, would have added Art. 14 to Chap. 160 G.S. authorizing the legislative body of a municipality with population of 10,000 or more and the board of county commissioners by joint resolution to fix an area not more than five miles beyond the corporate limits of the city within which the municipality may exercise its powers, and required representation of residents of such area on the city planning board and its board of adjustments. (H.B. 371, also died in House committee, would have added identical provisions to G.S. 160-226.)

Utilities Commission - Conflict of Interest - S.B. 338, died in committee, would have added Sec. 62-3.1 G.S. prohibiting any member, employee, or agent of the commission from owning or holding any stock or interest in any regulated enterprise upon penalty of forfeiture of office or employment.

Public Utilities - Suspended Rate Increases - H.B. 92, died in House after unfavorable committee report, would have amended G.S. 62-71 by striking the provisions permitting the placing in effect of suspended rate increases under bond for refund and for court recovery if increases are ultimately disallowed.

Deeds of Trust - Discharge by Beneficiary - H.B. 314, died in House committee, would have amended G.S. 45-37 to permit the beneficiary as well as the trustee or mortgagee to acknowledge satisfaction of a trust deed before the register of deeds for the purpose of discharging same of record, and validated such discharges by beneficiaries prior to July 1, 1959 (instead of January 1, 1930).

#### Telephone

##### Enacted

Franchise Provisions for Telephone Service to Municipalities - Validation of Agreements - H.B. 305, ratified and approved June 2, 1959, Chap. 685, validates any franchise agreement or other arrangement between a telephone company and a municipality providing for the furnishing of telephone service or facilities to the municipality.

Profane Language and Threats - Prohibitions - H.B. 158, ratified and effective June 5, 1959, Chap. 769, makes it a misdemeanor to make anonymous threats or use profane language over the telephone.

##### Failed

Business Corporation Act - Amendment - H.B. 673, died in committee, would have amended various sections of the Business Corporation Act, G.S. Chap. 55, dealing with amendment of bylaws, restrictions, or transfer of shares, gifts for public welfare, pension arrangements, loans on share security, classification of directors, election of officers, sale and issuance of shares, distribution to stockholders, conversion into cooperative or nonprofit organizations, etc.



1959 Pennsylvania Legislation - Interim Report  
Session: January 6 to  
(Status of report as of August 17, 1959; legislature still in session.)

Legislative Program

Electrification and Telephone

No legislative program was undertaken by REA borrowers in Pennsylvania.

Legislation Considered

Electrification

Enacted

Tennessee Valley Authority - Investigate Purchasing Policies - H. Res. 25, adopted February 17, 1959, states that the award of a contract for electric generating equipment to a foreign concern by the Tennessee Valley Authority results in the loss of many man-hours of employment by workers in Pennsylvania and of Federal and State taxes and requests the Congress to establish a committee to investigate the policies of the Tennessee Valley Authority.

Pending

Atomic Energy - Radiation - Development and Regulation - S.B. 51, pending in Senate Committee on State Government, provides for coordination of atomic development activities in the state through a Coordinator of Atomic Development Activities, requires various agencies of the state to make continuing studies and recommendations relative to atomic industrial development, and regulation of radiation, and requires compliance with Federal licensing provisions.

Radiation - Regulation - H.B. 740, pending in House, amends Sec. 2102, Administrative Code of 1929, relating to the powers of the Department of Health by adding subsection (m) authorizing the department to make rules and regulations pertaining to radiation hazards and use of radioactive materials.

Municipal Utilities - H.B. 1072, pending in House Committee on Boroughs, would amend The Borough Code to prohibit the lease or sale of borough owned electric light plants without a majority vote of the electorate.

- H.B. 1141, pending in House Committee on Judiciary, authorizes cities, boroughs, towns, and townships to construct, acquire, own, operate, etc., facilities for furnishing electricity, gas, etc., and to furnish or render such services to the public within or beyond their corporate limits.



Electrification and Telephone

Enacted

Taxation - Electric and Telephone Service - H.B. 665, approved and effective April 15, 1959, Act 14, amends the selective sales and use tax act by increasing the rate to  $3\frac{1}{2}\%$  (from 3%) and extending the tax to sales of electricity and intra-state telephone service. (See also H.B. 1406 "Telephone"--"Enacted", below.)

Public Utility Commission - Fees - H.B. 1511, approved August 6, 1959, Act 205, amends the Public Utility Law to change the fees charged by the Public Utilities Commission for copies of papers, testimony, and records.

Pending

Utility Relocation - Publicly-Owned Facilities - Reimbursement - H.B. 346, pending in House Committee on Highways, provides for reimbursement for cost of relocation of utility facilities owned by political subdivisions necessitated by Federal-aid primary, secondary, or interstate system highway projects.

- Utility Facilities - H.B. 2204, pending in House Committee on Highways, amends Act of June 1, 1945 (P.L. 1242), relating to streets and highways, etc., by providing for the relocation of utility facilities to accommodate certain Federal-aid highway projects and paying the costs thereof, and conferring powers and imposing duties upon the Secretary of Highways and the Public Utility Commission.

Public Utility Commission - Bureau of Investigation - S.B. 450, pending in Senate Committee on Corporations, and H.B. 788, pending in House Committee on Public Utilities and Corporations, provide for the creation of a bureau of investigation within the Public Utilities Commission with authority to conduct field investigations in connection with rate matters.

- Rate Changes - H.B. 1135, pending in House Committee on Public Utilities and Corporations, amends Public Utility Law by prohibiting increases in rates by public utilities without public hearing.

- H.B. 1137, pending in House Committee on Public Utilities and Corporations, amends Public Utility Law by prescribing the burden of proof in rate proceedings and providing for presumptions in absence of such proof.

- Election of Commissioners - H.B. 1132, pending in House Committee on Public Utilities and Corporations, amends act creating Public Utilities Commission by providing for the election of members of the Commission.

- H.B. 1299,  
pending in House Committee on State Government, amends act establishing the Administrative Code by providing for the election of the members of the Public Utility Commission.

- Municipal Authorities - Rates - S.B. 635, pending in Senate Committee on Corporations, amends Public Utility Law by making the rates of certain municipal authorities subject to regulation or orders of the commission.

- S.B. 634, pending in Senate Committee on Local Government, amends Municipal Authorities Act of 1945, subjecting rates charged by the authorities to regulation and control by the Public Utility Commission.

- H.B. 2030, pending in House Committee on State Government, amends Public Utility Law by excluding municipal corporations and their agencies from the jurisdiction of the commission as to rates and services when such utility services are furnished outside the corporate limits.

Public Utilities - Labor Disputes - S.B. 961, pending in Senate Committee on Labor and Industry and H.B. 2155, pending in House Committee on Labor Relations, amend the Public Utilities Labor Disputes Act by removing the prohibition against strikes, lock-outs, slow downs, etc.

Public Service Companies - Taxation - H.B. 140 and H.B. 1287, pending in House Committee on Public Utilities and Corporations, amend the General County Assessment Law, by providing for the taxation of the real estate of Public service companies.

Uniform Commercial Code - Revision - S.B. 689, passed Senate, pending in House Committee on Judiciary, reenacts the Uniform Commercial Code to incorporate the revisions contained in the 1958 edition of this code.

- H.B. 2035, pending in House Committee on Judiciary, amends the Uniform Commercial Code by increasing the filing fees in counties of the third class.

Abandoned Property - H.B. 1417, pending in House Committee on Judiciary, amends the escheat law by providing for the taking of property and money by the Commonwealth as escheat and as custodian.

Junk Dealers - Regulation - S.B. 30, passed Senate, pending in House Committee on Townships, amends second class township law by providing for regulation of junk dealers.

- H.B. 1036, pending in House Committee on Law and Order, relates to junk dealers and second hand dealers.

Telephone

Enacted

Taxation - Telephone Service - H.B. 1406, approved and effective June 9, 1959, Act 91, amends selective sales and use tax act (see H.B. 665 "Electrification and Telephone"--"Enacted", above) to provide that the tax on intrastate telephone service be computed at the rate of  $3\frac{1}{2}\%$  upon the total amount billed to customers periodically for such service, irrespective of whether such billing is based upon a flat rate or upon a message unit charge.

Awaiting Governor's Action

Telephone Calls - Malicious Use - H.B. 623, passed House June 17, passed Senate August 11, amends the Penal Code to provide penalties for use of telephone for obscene purposes. (S.B. 153, pending in the Senate Committee on Judiciary, and S.B. 177, pending in the House Committee on Judiciary, are similar bills.)



1959 Vermont Legislation - Interim Report  
Session: January 7, 1959 to  
(Legislature recessed on June 11, 1959 to January 12, 1960)

Legislative Program

Electrification

Amendment of the Electric Cooperative Act provisions dealing with the amendment of bylaws was successfully sponsored (see S. 72, below--enacted).

Telephone

No legislative program was sponsored by REA telephone borrowers in Vermont.

Legislation Considered

Electrification

Enacted

Electric Cooperative Act - Amendment - Bylaws - S. 72, approved May 6, 1959, amends Sec. 9777 Vermont Stats. 1947, relating to adoption and amendment of electric cooperative bylaws to require that such action be taken pursuant to the bylaws but in no case by the vote of less than a majority of the members voting. The replaced language required the affirmative vote of a majority of the members voting but did not refer to bylaw provisions covering such action.

Regulation of Dams and Hydroelectric Projects - Transfer from Public Service Commission to Water Conservation Board - S. 92, approved May 25, 1959, amends Sec. 1 of No. 223, Acts of 1949, by limiting the reservation of jurisdiction to the commission over dams and projects which have as incident the generation of electric energy to regulation of dams and projects that are incident to the generation of electric energy for public use as a part of a public utility; adds a provision requiring any enterprise, including cooperative electric associations, which seeks to remove any dam from utilization for generation of electric energy, to petition the public service commission for authority to do so, transferring the jurisdiction over such dam to the Water Conservation Board, and requiring any enterprise, including cooperative electric associations, seeking to utilize any existing dam in the active generation of electric energy for public use, to petition the public service commission for authorization which, if granted, transfers jurisdiction over such dam to the commission.



Failed

Radiation Protection Act - S. 13, passed Senate, amended in House, died in conference, would have enacted legislation closely adhering to the form of the model Radiation Protection Act suggested by the National Committee on Radiation Protection, giving the state health commission regulatory, planning, inspection, and enforcement authority, including the registration of radioactive materials.

Electrification and Telephone

Failed

Uniform Commercial Code - H. 389, passed House, killed in Senate, would have directed the drafting of a bill and report on the Uniform Commercial Code, dealing with commercial transactions including the contents and recordation of chattel mortgages.

1959 Massachusetts Legislation - Interim Report

Session: January 7 to

(Status of report as of July 6, 1959; legislature still in session.)

Legislative Program

Electrification

No REA borrowers in Massachusetts.

Telephone

No legislative program was undertaken by REA borrower.

Legislation Considered

Telephone

No legislation of interest has been noted.

1959 Connecticut Legislation - Final Report

Session: January 7 to June 3, 1959

Legislative Program

Electrification and Telephone

No REA borrowers in Connecticut.

Legislation Considered

No review made of the work of the Connecticut legislature.

1959 Rhode Island Legislation - Final Report

Session: January 6 to May 26 (27), 1959

Legislative Program

Electrification and Telephone

No REA borrowers in Rhode Island.

Legislation Considered

No review made of the work of the Rhode Island legislature.

## 1959 Virginia Legislation

The Virginia legislature meets in regular session in the even numbered years. A special session of the legislature met from January 28 to April 24, 1959, on school legislation.







1959 Indiana Legislation - Final Report  
Session: January 8 to March 9, 1959

Legislative Program

Electrification

The Indiana Statewide Rural Electric Cooperative sponsored legislation (H.B. 104, below, failed) to authorize municipal and cooperative electric utilities to join in the formation of nonprofit corporations for the generation and distribution to members of electric power.

Individual electric cooperatives sponsored or supported legislation to (1) prohibit the Public Service Commission from assuming jurisdiction over the issuance of obligations of electric cooperatives (H.B. 20, below, failed); and (2) authorize electric cooperatives to enter into wholesale power contracts with any supplier (S.B. 166, below, failed).

The Statewide also considered but did not seek introduction of legislation (1) to protect electric cooperative service in areas which are annexed to municipalities; and (2) to prevent municipal annexation of rural areas against the wishes of the residents therein.

Telephone

No legislative program was reported to have been undertaken by REA borrowers.

Legislative Program

Electrification

Enacted

Radiation Control - S.B. 200, approved March 9, 1959, Ch. 77, enacts the Radiation Control Act, authorizing the State Board of Health to control health hazards incident to the use of radiation, requiring the regulation of radiation-producing machines; and establishing an advisory commission. (This act is similar to the draft of legislation recommended by the National Committee on Radiation Protection.)

Municipal Utilities - Service Boards - H.B. 241, approved March 13, 1959, Ch. 326, amends the laws dealing with municipal utilities to provide that the commission council of a municipality may either operate a municipal utility itself, or by a committee of its members, by its board of public works and safety, or by a utility service board if such board is established by vote of the electorate. Provision is also made for abolition of a utility service board by the electors.

Electrical Contractors - Examination and Registration - Marion County - H.B. 310, approved and effective March 13, 1959, authorizes the Board of County Commissioners of any county containing a first class city (Marion County) to examine, regulate, and register electrical contractors.

Plumbing Installations - Regulation - S.B. 81, approved and effective March 13, 1959, Ch. 310, authorizes Boards of County Commissioners to enact ordinances regulating and establishing minimum standards for plumbing systems; requiring permits for installations costing \$150 or more; providing for inspection; fixing penalties for violations; and exempting installations in buildings or on lands used for agricultural purposes.

Failed

Power Generation and Transmission - Nonprofit Corporations - H.B. 104, died in committee, would have authorized: the formation of nonprofit corporations by REMC's (electric cooperatives) and municipalities for the purpose of generating, purchasing, transmitting, and selling electric power to members at reasonable and just rates with provision for review of power contracts by the Public Service Commission if ten or more taxpayer-consumers of power from a municipality, or members of an REMC object to the rates and charges provided therein; the issuance of bonds of the nonprofit corporations on competitive bids; and the levy of municipal taxes if required.

Public Service Commission - Jurisdiction Over REMC Obligations - H.B. 20, died in committee, would have prohibited the Public Service Commission from assuming jurisdiction to review the issuance of obligations by REMC's. (An Indiana Appellate Court decision of December 22, 1958, ruled out the exercise of such jurisdiction.)

REMC Power Contracts - S.B. 166, died in committee, would have authorized REMC's to enter into wholesale power contracts and to make exclusive power supply arrangements.

Inspection of Electric Transportation Lines - H.B. 344, died in committee, would have required all utilities transporting electrical current over facilities adjacent to or accessible from any public highway to inspect the facilities every six months to determine whether they were properly insulated to prevent against personal injury or death; and to file a copy of the inspection report with the Public Service Commission, with a like local body where the Commission does not have jurisdiction, or with the clerk of the circuit court in all other cases. Failure to file imposes liability for injury or death. (A similar bill, H.B. 170, failed to pass in the 1957 session.)

Electric Fences - S.B. 413, died in Senate, would have made it unlawful to erect or maintain an electric fence unless an approved fence charger, reducing voltage, were used.



Electrification and TelephoneEnacted

Corporations - Filing Fees - S.B. 158, approved March 11, 1959, Ch. 159, amends Sec. 2 of Ch. 230, Laws 1957, establishing fees to be paid the Secretary of State by domestic and foreign corporations, both profit and nonprofit, by providing, in the case of merger and consolidation, for a credit upon prior fees paid by the merging or consolidating corporations.

Public Service Commission - Public Counselor - S.B. 344, approved and effective March 14, 1959, Ch. 370, amends Sec. 54-111, Burns Ind. Stats. Ann. 1951, by increasing the ceiling on the Public Counselor's salary from \$6,000 to \$15,000 per annum and providing for an office staff to be paid for from appropriated funds.

Uniform Commercial Code - Study Commission - S. Con. Res. 6, approved March 11, 1959, Ch. 401, establishes a commission to study comments and proposals for amendment of the Uniform Commercial Code and to report to the Governor by October 31, 1960, for transmission to the 1961 session. (See S.B. 133, to enact the Uniform Commercial Code, below, failed.)

Failed

Uniform Commercial Code - S.B. 133, failed, would have enacted the Uniform Commercial Code. (See S. Con. Res. 6, above.)

Public Service Commission - Rate Increases - S.B. 345, passed Senate, died in House, would have amended the Public Service Commission Law, Sec. 64, by requiring that legal notices of petitions for rate increases shall clearly show the amount of the increase sought.

- H.B. 247, died in committee, would have prohibited the collection of rate increases granted by the Public Service Commission to public utilities, rural electric membership corporations, or rural telephone cooperative associations pending court appeals.

- Investigation - H.B. 100, died in committee, and H.J. Res. 6 and H. Con. Res. 33, both adopted in House but failed in Senate, would have created legislative committees to investigate the operations of the Public Service Commission.

TelephoneEnacted

Nonprofit Corporation Act - Amendments - H.B. 472, approved March 14, 1959. Ch. 385, amends Secs. 29 and 31 of the 1953 Nonprofit Corporation Act relating to annual reports and the determination



of the Secretary of State whether a filing corporation is in good faith nonprofit; adds Secs. 33a, 45, 46, 47, 48, and 49, relating to dissolution and penalties.

Failed

Nonprofit Corporations - Study - H.B. 566, passed House, died in Senate, would have created a legislative Not-For-Profit Corporations Study Committee to study the operations and practices of nonprofit corporations, to report to the legislature by December 1, 1960.

Operator Service - H.B. 504, died in committee, would have required telephone companies to have at least two operators on duty at all times to assure communications in the event of an emergency.

Misuse of Telephone - H.B. 481, died in committee, would have repealed the act prohibiting the harassment of others by telephone.

1959 Michigan Legislation - Interim Report  
Session: January 14 to  
(Status of report as of August 6, 1959; legislature still in session)

Legislative Program

Electrification

Michigan Rural Electric Cooperative Association (statewide) considered but decided against sponsoring legislation regarding the jurisdiction of the Public Service Commission over rural electric cooperatives. The Public Service Commission has not as yet exercised its authority to regulate electric cooperatives. The executive committee of the statewide was instructed to continue to study this matter and make recommendations.

Legislation Considered

Electrification

Enacted

TVA Financing - S. Res. 71, adopted July 2, 1959, opposes the enactment by Congress of legislation to authorize TVA to issue bonds to finance construction of power generation facilities unless it includes provisions requiring: any such securities to be subject to Federal income taxes; TVA assets to be subject to taxation by State and local governments; and that TVA charge rates determined by the Federal Power Commission to permit repayment of all appropriated funds plus interest within a 40 year period.

Pending

Electrical Administrative Act - Electricians Licensing - H.B. 64, pending in House Committee on State Affairs, further amends the 1956 licensing law, as amended in 1957 (Secs. 338.881 to 338.888, Compiled Laws of 1948) relating to the licensing of electricians and electrical contractors. The amendments include provisions that the act not be applicable to those municipalities which provide inspection service as well as wiring and installation standards or to townships of less than 5,000 population (instead of 7,500 population) unless township board elects to be covered; make registration requirements of municipalities reciprocal between municipalities and between municipalities and the State board; and provide that persons owning and occupying their homes be exempt from license requirement for electrical work in their homes if they obtain a permit for such work.

Atomic Energy - Regulation - S.B. 1177, pending in Senate Committee on State Affairs, creates the Michigan Atomic Energy Commission; provides for collection and dissemination of information relating to the peaceful uses of atomic energy; authorizes development of policies and programs for evaluation of radiation hazards and provides for review of rules and regulations regarding radiation proposed by any state agency; requires registration with the State health commissioner of all radiation sources.

- S.B. 1201, pending in Senate Committee on State Affairs, creates the office of director of atomic energy activities and provides that he shall develop policies and programs for the evaluation and determination of radiation hazards and for the development and utilization of atomic energy for peaceful purposes; establishes a radiation safety standards board with authority to adopt and promulgate radiation safety rules and provides for their enforcement; establishes a scientific advisory committee on atomic energy to pass on the safety board's proposed radiation safety rules; and prohibits manufacture, acquisition, possession, etc. of nuclear materials or facilities except with license or permit from the United States Atomic Energy Commission, and in accordance with this act and safety rules promulgated thereunder.

General Corporation Act - Amendments - Water Power Companies - Incorporation - H.B. 403, pending in House Committee on Private Corporations, amends various sections of the Michigan general corporation act. Sec. 450.3, Compiled Laws of 1948, is amended to permit the incorporation of water power and water supply companies under the general corporation act.

Taxation - Electric Service - S.B. 1322, passed Senate, passed House amended, in Senate committee, amends Sections 205.93 to 205.95, Compiled Laws of 1948, to increase the use tax to 4% (from 3%) and extend the tax to include the retail sale of electricity. (S.B. 1226, passed Senate, died in House, and H.B. 350, died in Committee, contained the same provisions; see also H.B. 647, Electrification and Telephone.)

#### Failed

Annexation of Territory - S.B. 1191, passed Senate, died in House, would have established procedure for the annexation of territory to cities and villages by filing petition of annexation with court of chancery for the county in which territory to be annexed lies and provided for referendum when requested by 1% of freeholders residing within area to be annexed.



## Electrification and Telephone

### Enacted

Public Service Commission - Compensation - S.B. 1314, approved July 16, 1959, Public Act 162, amends Section 460.3, Compiled Laws of 1948, to increase the salaries of the Public Service Commission as follows: Chairman from \$11,500 to \$12,500, and each member from \$11,000 to \$12,000.

### Pending

Public Utilities - Rates - H.B. 142, pending in House Committee on Public Utilities, adds Section 460.6d, Compiled Laws of 1948, to provide that in determining rates to be charged by public utilities the Public Service Commission shall not include amounts spent for advertising as a cost of doing business.

- H.B. 143, pending in House Committee on Public Utilities, adds Section 460.6c, Compiled Laws of 1948, to provide that the Public Service Commission shall not grant a public utility a rate increase unless it has been approved by an act of the legislature.

Chattel Mortgages - Filing - S.B. 1351, pending in Senate Committee on Judiciary, requires the filing of chattel mortgages and instruments intended to operate as chattel mortgages within three days from date of execution in the office of register of deeds of the county where goods or chattels are located and also where the mortgagor resides except when the mortgagor is a non-resident, along with an affidavit that the consideration of the instrument was adequate. In case of electric or telephone corporations, only the filing of a copy of the mortgage with the register of deed for each county through which the lines or property passes will be required, and as to such mortgages hereafter made, filing is required only in the office of the secretary of state.

Taxation - Electric and Telephone Service - H.B. 647, passed House, passed Senate amended, in conference, would amend Sections 205.93, et. seq., Compiled Laws of 1948, to increase the use tax to 4% (from 3%) and include the sale of electric and telephone services.

## Telephone

### Enacted

Telephone Companies - Organization - H.B. 402, approved July 22, 1959, Public Act 194, amends Section 484.1, Compiled Laws of 1948, relating to organization of telephone companies to provide that



the articles of incorporation shall state the amount of authorized capital stock, the class and par value of the shares, along with a statement of all or any of the designations and the powers, preferences and rights, etc., and also shall include the names and addresses of the first directors.

- Sale or Lease of Lines - S.B. 1277, approved July 8, 1959, Public Act 111, amends Section 484.108, Compiled Laws of 1948, relating to sale or lease of lines or facilities of telephone companies to provide that the application to the public service commission shall be accompanied by an affidavit from the applicants stating that the property is of at least the value at which it is to be taken and making the holding of a public hearing on the matter at the discretion of the commission.

Pending

Mutual Telephone Companies - Transfer of Assets and Liabilities - S.B. 1011, pending in Senate Committee on Public Utilities, would authorize an unincorporated mutual telephone association to transfer its assets and liabilities, including its franchise, with the approval of a majority of its members voting on the proposition at a regular or special meeting of the association.

Taxation - H.B. 635, passed House, pending in Senate, would amend Sections 205.51 and 205.54a, Compiled Laws of 1948, General sales tax act, to include in the definition of "sale at retail" sales of intrastate telephone service, including local telephone exchange service and long distance service which both originates and terminates in Michigan, but not including coin-operated telephone service, directory advertising proceeds, and charges for installation, construction, or changes in installations, or other services.

1959 Ohio Legislation - Final Report  
Session: January 5 to August 14, 1959

Legislative Program

Electrification and Telephone

No legislative program was undertaken by REA borrowers in Ohio.

Legislation Considered

Electrification

Enacted

Municipal Utilities - Study - H. Res. 132, adopted July 22, 1959, requests the legislative service commission to review the constitutional provisions and statutes pertaining to municipally-owned public utilities and to study the operation and management of such utilities and submit a report together with any recommendations to the 104th General Assembly (1961).

Radiation Protection Act - H.B. 410, approved August 4, 1959, and effective November 4, 1959, enacts a radiation protection act, substantially similar to a model act recommended by the National Committee on Radiation Protection, designating the public health council and the director of health as the regulatory body for activities pertaining to control and use of radiation sources; establishes a radiation advisory council; and provides for penalties and enforcement procedures against violators of rules and regulations.

Failed

Municipal Utilities - Service beyond Corporate Limits - H.B. 1040, died in Committee, would have amended Sec. 4905.02, Revised Code, relating to public utilities subject to the jurisdiction of the Public Utilities Commission, by providing that public utilities owned and operated by municipal corporations serving customers within the corporate limits are exempt but that service supplied to customers outside the corporate limits shall be subject to regulation with respect to rates and service in the same manner as other public utilities furnishing a like service or product.

Plumbing Standards - S.B. 140, passed Senate, died in House, would have added Secs. 3703.21 to 3703.26, Revised Code, to authorize boards of health to adopt regulations made by the public health council for uniform plumbing standards; to provide for licensing plumbers and charging fees for plumbing inspection and licensing services.

Electrification and Telephone

Enacted

Public Utilities Commission - Assessment - S.B. 468, approved and effective August 1, 1959, amends Sec. 4905.10, Revised Code, to increase the amount of the annual assessment levied against utilities from \$725,000 to \$925,000, to pay the operating costs of the Public Utilities Commission.

Public Service Commission - H. Res. 211, adopted July 24, 1959, requests the legislative service commission to study the organization and laws governing the operation of the Public Utility Commission to determine a method of establishing unified and expeditious management and to submit a written report to the 104th General Assembly not later than January 15, 1961.

Utilities Gross Receipts Tax - H.B. 423, approved July 18, 1959, amends Sec. 5727.81, Revised Code, imposing a .65% excise tax on the intrastate gross receipts of electric light, telephone, and other utilities for poor relief and other welfare purposes, by striking out the specific years for which such tax is applicable and making it permanent.

Public Utilities - Taxation - S.B. 182, approved June 19, 1959, amends Secs. 5727.07, 5727.09, and 5727.25, Revised Code, relating to the taxation of public utilities to provide that property assessments shall be based on all property owned or operated on the 31st of December and providing that beginning with the tax year of 1960 the lien of the state for taxes shall attach on the 31st of December, next preceding.

Failed

Utility Relocation - Reimbursement - S.B. 362, died in Senate Committee on State Government and H.B. 746, died in House, would have added Secs. 5531.07 to 5531.071, Revised Code, to provide for reimbursement for the cost of relocation of utility facilities necessitated by the construction of projects on the National System of Interstate and Defense Highways.

Department of Public Utilities - H.B. 1083, died in House Committee on Elections and Federal Relations, would have created a department of public utilities to replace the Ohio public utilities commission.

Public Utilities Commission - Rate Case Procedure - S.B. 369, died in Senate Committee on State Government, would have amended the procedure in rate cases before the Ohio public utilities commission by providing for the establishment of criteria for determination of the fair value of public utility property. (H.B. 489,



defeated in House, would have provided that consideration be given to the net investment of a utility in determination of rates.)

- Zoning Appeal - H.B. 901, died in House, would have added Sec. 4905.65, Revised Code, to provide that public utilities aggrieved by a zoning ordinance may after exhausting all other administrative remedies file a complaint with the public utilities commission, which after hearing, may enter an order giving the utility a variance from such ordinance.

Utility Taxation - Counties - H.B. 863, died in House Committee on State Government, would have enacted Secs. 5707.09 to 5709.99, Revised Code, to provide for the collection and administration of a county public utility excise tax.

- Municipalities - H.B. 65, died in House, would have amended Secs. 5727.38 and 5739.02 and enact 5727.381, Revised Code, relating to the authority of a municipality to assess, levy, and collect a consumers' utility tax.

- Gross Receipts Tax - H.B. 1102, died in House, would have amended Sec. 5727.81, Revised Code, to extend the excise tax on gross receipts of electric, telephone, and other utilities to municipal utility operations.

Public Utilities - Labor Disputes - H.B. 555, died in House, would have amended Secs. 4975.01 to 4975.09, and 4975.99, Revised Code, to permit the issuance of 60 day restraining orders against public utility strikes and establish boards of inquiry.

Uniform Commercial Code - H.B. 264, died in House Committee on Judiciary, would have enacted the uniform commercial code which affects commercial transactions including the contents and recordation of chattel mortgages.

Chattel Mortgages - Cancellation - S.B. 255, died in Senate, would have added Sec. 1319.20, Revised Code, to require a mortgagee upon payment in full of a chattel mortgage to cancel such mortgage in the recorder's office in which filed within 30 days. Sec. 1319.99 is amended to provide that violators of provisions of Sec. 1319.20 be fined not less than \$100.

Public Utilities - Capital Accounts - S.B. 430, died in Senate Committee, would have added Sec. 4905.171, Revised Code, pertaining to the method of reporting capital accounts of public utility companies in financial reports required by the public utilities commission.



Telephone

Enacted

Telephones - Use of Profane Language - H.B. 303, approved May 15, 1959, and effective August 14, 1959, adds Sec. 4931.31, Revised Code, prohibits the use of profane or threatening language over telephones; requires notice to be published in all telephone directories (except classified directories) and amends Sec. 4931.99, Revised Code, to provide penalty for violation of 4931.31.

Failed

Telephones - Turnpike Projects - H.B. 188, died in House Committee on Highways, would have added Sec. 5537.041, Revised Code, authorizing the installation of an emergency telephone system on all turnpike projects to be located at intervals not exceeding three miles.

Telephone Excise Tax - S.J. Res. 31, died in Senate Committee on Taxation, would have memorialized Congress to repeal the telephone excise tax.

1959 West Virginia Legislation - Final Report  
Session: January 14 to March 16, 1959

Legislative Program

Electrification and Telephone

No legislative program was undertaken by REA borrowers in West Virginia.

Legislation Considered

Electrification and Telephone

Enacted

Public Service Commission - Special License Fees - S.B. 29, approved February 9, 1959, effective July 1, 1959, Chap. 144, amends Sec. 24-3-6, Code of West Virginia, to increase the total amount to be collected from special license fees imposed on public utilities subject to Public Service Commission jurisdiction. These fees are fixed by the auditor and are based on the valuation of utility property and gross revenue derived from the utility's intrastate business.

Failed

Utility Facilities - Relocation - S.B. 308, passed Senate, died in House, and H.B. 398, died in House, would have amended Chap. 17, Article 4, Code of West Virginia, by adding Sec. 17b, relating to the costs of relocating utility facilities on Federal-aid interstate highway projects.

Public Service Commission - Rates - H.B. 9, passed House, died in Senate, would have amended Sec. 24-2-4, Code of West Virginia, relating to the procedure for changing public utility rates.

- Commissioners - S.B. 24, died in Senate, would have amended Sec. 24-1-2, Code of West Virginia, relating to the appointment and qualifications of the members of the PSC.

Disposition of Abandoned Property - H.B. 486, passed House, died in Senate, would have added Article 9a to Chap. 44, Code of West Virginia, relating to the disposition of abandoned property and providing for procedures to be followed with respect thereto.

Junk Dealers - Copper Wire - H.B. 488, died in House, would have amended Sec. 61-3-49, Code of West Virginia, relating to the purchase of copper wire by junk dealers.

Telephone

Enacted

Communication Excise Tax - Repeal - H. Con. Res. 43, adopted March 14, 1959, petitions the Congress to repeal the excise tax on communication services.

Failed

Taxation - Municipalities - H.B. 403, died in House, would have amended Chap. 8, Art. 4, Code of West Virginia, by adding Sec. 13e, relating to the power and authority of municipalities to collect an annual privilege tax from telephone and telegraph companies doing business within such municipalities.







1959 Florida Legislation - Final Report  
Session: April 7 to June 5, 1959

Legislative Program

Electrification

The Florida REA Cooperatives Association sponsored bills (1) exempting rural electric cooperatives from the excise tax on documents imposed by Chap. 201, Fla. Stats. 1957 (see H.B. 1058, below--failed); and (2) amending the Rural Electric Cooperative Act to establish an alternative quorum requirement of 100 members for membership meetings. Consideration was also given to sponsoring a bill prohibiting any supplier of electric energy to sell or offer to sell same to any person outside the municipal limits of any municipality who is receiving adequate service from a rural electric cooperative and providing for court enforcement, but no bill on this subject was introduced.

Telephone

No legislative program was reported to have been sponsored by REA telephone borrowers.

Legislation Considered

Electrification

Enacted

Electrical Licensing - Local Laws - S.B. 1015, law without Governor's approval on June 12, 1959, Chap. 59-1816, authorizes the City of St. Petersburg to regulate the occupation of electrician and electrical contracting and establishes a board of examiners to issue and revoke licenses.

- S.B. 1091, law without Governor's approval on June 17, 1959, Chap. 59-1264, and S.B. 1296, law without Governor's approval on June 17, 1959, Chap. 59-1268, regulate the occupation and business of electrical contracting in unincorporated areas of Escambia County.

- H.B. 2157, law without Governor's approval on June 18, 1959, Chap. 59-1799, regulates the occupation of electrical contracting outside of city limits in St. Lucie County.

- H.B. 2416, law without Governor's approval on June 20, 1959, Chap. 59-1868, provides for the examination and certification of electricians and electrical contractors in Seminole County.



- S.B. 1292, law without Governor's approval on June 17, 1959, Chap. 59-712, authorizes the regulation of electrical contractors in Orange County.

Building and Zoning Regulations - Local Laws - S.B. 1088, law without Governor's approval on June 18, 1959, Chap. 59-1494, authorizes Lee County commissioners to establish zoning outside of any municipality, and adopt building, electrical, and plumbing codes.

- S.B. 1119, law without Governor's approval on June 12, 1959, Chap. 59-1337, authorizes Hernando County commissioners to adopt zoning and building regulations, including electrical, for areas outside of municipalities.

- H.B. 1848, law without Governor's approval on June 12, 1959, Chap. 59-1228, creates a zoning commission in DeSoto County with authority to regulate electrical and plumbing installations.

- H.B. 1954, law without Governor's approval on June 12, 1959, Chap. 59-1176, authorizes Citrus County commissioners to adopt zoning and building regulations, including electrical, for areas outside of municipalities.

- H.B. 2038, law without Governor's approval on June 17, 1959, Chap. 59-1552, authorizes regulation of building construction and adoption of electrical code for areas outside of municipalities.

#### Failed

Rural Electric Cooperative Law - Amendment - Quorum Requirements - H.B. 1419, died in House, would have amended 425.09(b), Fla. Stats., establishing 5% of all members as the minimum requirement for a quorum for a membership meeting by providing an alternative minimum of 100 members. (This bill was sponsored by the statewide.)

Rural Electric Cooperatives - Exemption from Documentary Excise Tax - H.B. 1058, died in House, would have exempted electric cooperatives from the excise tax on documents imposed by Chap. 201, Fla. Stats. 1957, retroactively to the date of their incorporation. (This bill was sponsored by the statewide.)

Radiation Protection - S.B. 808 and H.B. 1267, both failed, would have conferred upon the State Board of Health the function of regulating and preventing excessive and unnecessary radiation.

#### Electrification and Telephone

##### Enacted

Escheat of Abandoned Property - Interim Legislative Study - H. Con.

Res. 2315, law without Governor's approval on June 18, 1959, establishes an interim committee to investigate and draft legislation dealing with escheat to the state of abandoned property. (A similar resolution, H.J. Res. 2267, was adopted in House but was superseded by H. Con. Res. 2315; see S.B. 637 and H.B. 1154, below--failed.)

Failed

Electric and Telephone Lines - Clearance - H.B. 1463, died in House, would have amended Sec. 74.141 (1), Fla. Stats., dealing with eminent domain by electric and telephone utilities, including co-operatives, by adding a requirement of 18 feet minimum clearance for all transmission lines, poles, and other obstructions over state highways or other public thoroughfares, and requiring the utilities to raise or remove wires or other obstructions to facilitate traffic passage without charge unless the height of the traffic exceeds 20 feet in which case only actual labor and truck cost shall be charged.

- Prohibition of Poles on Road Rights-of-Way - H.B. 1448, died in House, would have prohibited the placing of utility poles on the road rights-of-way in the state.

Public Utilities - Taxation of Poles on Road Rights-of-Way - H.R. 1387, died in House, would have levied a tax on all utility poles placed upon road rights-of-way in addition to all other taxes.

Uniform Disposition of Unclaimed Property Act - H.B. 945, 1154, and 1237, all died in House, and S.B. 637, died in Senate, would have enacted the Uniform Disposition of Unclaimed Property Act containing provisions for the escheat of unclaimed deposits and refunds of utility companies and of unclaimed cooperative dividends and distributions.

Unclaimed Property - Escheat to State - H.B. 126, killed in House, would have provided for escheat to the state of personal property which was unclaimed or the owner of which was unknown.

Public Utilities Commission - Constitutional Establishment - S.J. Res. 593, died in Senate, and H.J. Res. 1014, died in House, proposed submission to the electors of an amendment adding Section 35 to Article XVI of the Florida Constitution, creating the Florida Public Utilities Commission replacing the statutory Railroad and Public Utilities Commission, prescribing membership and eligibility thereto, method of election, suspension, and disqualification of commissioners, and conferring the same jurisdiction and power as provided for the existing statutory commission.

- Number of Commissioners - H.B. 1593, died in House, would have amended Sec. 350.01, Fla. Stats. 1957, to provide for the initial appointment and subsequent election of



two commissioners of the Florida Railroad and Public Utilities Commission in addition to the existing three members, with staggered terms of office.

### Telephone

#### Enacted

Injury or Tapping Telephone Lines - H.B. 271, approved June 11, 1959, Chap. 59-258, increases the criminal penalty to a maximum of one year (from 6 months) in jail for injuring or tapping telephone lines in cases where the property damage does not exceed \$200, and to a maximum of 15 years in prison and \$5000 fine in cases where the property damage exceeds \$200. (S.B. 122 was a companion bill in the Senate.)

#### Failed

Telephone Rates - Regulation - S.B. 907, passed Senate, died in House, and H.B. 1565, died in House, would have provided for the fixing of just, reasonable, and compensating rates and charges for telephone service within the state and for supervision thereof by the Railroad and Public Utilities Commission.

- H.B. 1591, died in House, would have required the commission, before granting an increase in rates, to determine after full public hearing that the rules, regulations, and practices of the telephone company are just and reasonable and the service and facilities are adequate and efficient.

Telephone Companies - Construction on Roads and Highways - H.B. 1592, died in House, would have amended Sec. 362.01, Fla. Stats., by requiring telephone companies erecting lines on public roads or highways to pay reasonable compensation in relation to the county cost of acquiring the rights-of-way as the county commissioners may determine, and authorizing the county commissioners or the governing bodies of cities or towns to require the lines to be placed underground if public safety, convenience, and welfare require.

- Subdivisions - H.B. 1982, died in House, would have provided that only one telephone or telegraph company locate in a subdivision.



1959 Georgia Legislation - Final Report  
Session: January 12 to February 20, 1959

(The General Assembly of Georgia meets in two annual sessions. The first session convenes in the odd-numbered years. Legislation introduced in the first session and not finally disposed of may be considered during the second session which meets in the even-numbered years. This report includes status of bills introduced in 1959 and which may be considered further at the 1960 session.)

## Legislative Program

### Electrification

The Georgia Electric Membership Corporation sponsored the introduction of a bill (see S.B. 30) amending the Electric Membership Corporation Act to define the term "rural area" so as to permit cooperatives to continue service in areas annexed to municipalities.

## Legislation Considered

### Electrification

#### Pending

Electric Membership Corporation Act - "Rural Area" - S.B. 30, passed Senate February 5, 1959, by vote of 32 to 13, pending in House Industry Committee, would amend the definition of "rural area" as contained in Subsec. 8, Sec. 2, Electric Membership Corporation Act (Sec. 34A-102(8), Code of Ga., Ann.) to permit continuation of service by electric membership corporations in areas which are annexed to municipalities. (This bill is the same as H.B. 721 which failed to pass at the 1958 session.) During consideration of this bill in the Senate efforts to recommit the bill to committee and to amend it to require cooperatives to be subject to the jurisdiction of the Public Service Commission and to pay ad valorem taxes were defeated.

- Powers - H.B. 271, pending in House Industry Committee, would amend Sec. 4 of the Electric Membership Corporation Act (Sec. 34A-104, Code of Ga., Ann.) by adding a new paragraph permitting an electric membership corporation to continue to serve areas annexed by a municipality until its facilities are purchased by the municipality or franchised public utility. The municipality or public utility would be given the power to condemn the facilities when the parties fail to agree on a purchase price.

Water Resources Commission - H.B. 303, pending in House Natural Resources Committee, provides for the creation of the Georgia Water Resources Commission to have authority and jurisdiction over the use of the surface and underground waters of the State.

Failed

Power Lines - Accident Prevention - H.B. 501, tabled in House, would have required that certain precautions be taken in proximity of high voltage overhead lines in order to prevent accidents. Administration and enforcement of the act would have been vested in the Commissioner of Labor.

Electrification and Telephone

Enacted

Uniform Commercial Code - Study - H. Res. 130, adopted February 20, 1959, requests the Joint Committee on Operations of the General Assembly to study the Uniform Commercial Code and recommend to the 1960 session whether the code should be adopted.

Pending

Mortgages - Recording - H.B. 536, reported favorably, would amend Sec. 67-109, Code of Ga. Ann., relating to the effect of failure to record mortgages, by providing that mortgages not recorded within the time required remain valid as against the mortgagor, but are postponed to all other liens created or obtained, or purchases made prior to the actual record of the mortgage. It is further provided that the lien of an older mortgage shall be held good against a younger lien created by contract or a purchaser with notice of such older mortgage.

Telephone

Enacted

Telephone Excise Tax - Repeal - H. Res. 212 and S. Res. 51, adopted February 16, 1959, memorialize the Congress of the United States to repeal the Federal excise taxes on telephone service.

1959 South Carolina Legislation - Final Report  
Session: January 13 to May 22, 1959

(The General Assembly of South Carolina meets in two annual sessions. The first session convenes in the odd-numbered years. Legislation introduced in the first session and not finally disposed of may be considered during the second session which meets in the even-numbered years. The second regular session of the current General Assembly will convene on January 12, 1960.)

Legislative Program

Electrification

South Carolina Electric Co-operative, Inc. (statewide) did not sponsor a legislative program. However, they maintained a close watch over legislative developments and upon the introduction of legislation sponsored by the Municipal Association to provide for the extension of municipal boundaries by annexation (H.B. 1230, below, pending) the statewide sought to have the bill amended in order to protect the property and interests of the electric cooperatives.

Telephone

No legislative program was reported to have been undertaken by REA telephone borrowers.

Legislation Considered

Electrification

Enacted

Atomic Energy - Study - S.B. 18, approved and effective March 25, 1959, Act 171, provides for the appointment of an eleven member committee (5 members appointed by the Governor and 6 members of the Legislature) to study and make recommendations for legislation necessary to encourage participation in development and utilization of atomic energy for peaceful purposes, and to study control of air and water pollution. Committee to submit its report to the Governor and General Assembly by January 1, 1960.

- State Jurisdiction - S. Con. Res. 2, adopted January 21, 1959, memorializes the Congress and the Atomic Energy Commission to clarify the jurisdiction of the various states in regard to the development of atomic and nuclear energy for peaceful purposes, and the hazards of atomic and nuclear radiation.

Greenwood County Electric Power Commission - Membership - S.B. 94, approved March 5, 1959, Act 88, amends Sec. 24-551, S.C. Code, 1952, to increase the membership of the Greenwood County Electric Power



Commission from five to seven members and provides that the new members be appointed for terms of three and four years.

- Quorum - S.B. 93, approved March 5, 1959, Act 87, amends Sec. 24-555, S.C. Code, 1952, to provide that four (instead of three) members shall constitute a quorum to conduct the business of the commission.

Pending

Municipal Boundaries - Extension by Annexation - H.B. 1230, passed House, pending in Senate Judiciary Committee, would establish procedure to be followed by a municipality for the annexation of territory adjoining its existing boundaries. As introduced, Sec. 9 of the bill contained provisions giving the municipality the exclusive right to perform or provide municipal and utility functions and services in any territory which it annexes. The statewide appeared at hearings held on the bill and offered an amendment to this section designed to protect the interests of electric cooperatives serving in any such annexed territory by providing (1) for exchange of utility facilities for comparable facilities located outside the corporate limits of the annexing municipality as an alternative to money compensation; (2) for payment of money compensation in addition to utility facilities where such facilities are sufficient only to constitute partial compensation; and (3) that the acceptance of comparable facilities as an alternative to money compensation be at the option of the instrumentality whose property is acquired. Section 9 was stricken in its entirety by the House Judiciary Committee. A motion to amend the bill by adding the language of the cooperative's amendment was tabled in the House on April 1, 1959, and the bill passed the House on April 7, 1959. The Senate Judiciary Committee considered the bill on May 6 and by vote of 8 to 4 adopted the cooperative's amendment. Because of imminent adjournment of the legislature the Senate voted to add H.B. 1230, as amended, to the adjournment resolution. (This action would have insured passage of the bill). The House refused to concur in this action and H.B. 1230 was finally withdrawn from the resolution after many efforts at compromise failed.

Greenwood County Electric Power Commission - Generating Plant - H.B. 1116, pending in House Ways and Means Committee, would authorize the Commission to operate and maintain an electric generating plant or plants presently or hereafter owned by Greenwood County or in which the County has or may acquire an interest and provides that the Commission distribute, purchase, sell, or interchange electric power or energy.

Electrification and Telephone

Enacted

Sales Tax - Electric and Telephone Service - H.B. 1215, approved April 20, 1959, Act 244, amends Title 65, Chap. 15, Article 5, S.C. Code 1952 by adding Subsections C and D subjecting the sale of electricity and the proceeds from telephone service (except toll income) to the three percent license, sales and use tax. Sec. 89 of this act also provides that during the fiscal year 1959-60 the South Carolina Public Service Authority make a payment to the general fund of at least \$200,000.

Telephone

Enacted

Communication Excise Tax - Repeal - H.B. 1237, adopted March 3, 1959, memorializes the Congress to remove the excise tax on telephone service.









1959 Alabama Legislation - Interim Report  
Session: May 5, 1959 to  
(General session recessed from June 23 to August 25, 1959)  
First Special Session: February 3 to February 20, 1959  
Second Special Session: June 24 to

(Note: The special sessions dealt only with school legislation.)

### Legislative Program

No legislation was reported to have been sponsored by REA borrowers.

### Legislation Considered

#### Electrification and Telephone

##### Pending

Utility Relocation - Reimbursement - S.B. 248 and H.B. 509, pending, deals with the relocation of utility facilities necessitated by Federal-aid highway construction and provides for reimbursement by the State of the cost thereof as a highway construction cost.

Public Utilities - Refunds - Escheat - H.B. 385, pending, provides for the refund to consumers of rate increases which are collected and subsequently denied by the courts and for escheat to the State of unclaimed refunds.



The first part of the paper discusses the importance of the study of the history of the United States. It is argued that a knowledge of the past is essential for a full understanding of the present. The author then goes on to discuss the various factors which have shaped the development of the United States, including the influence of the British, the Spanish, and the French. He also discusses the role of the American people in the creation of the nation. The paper concludes by stating that the study of the history of the United States is a task of great importance, and that it is one which should be undertaken by all who are interested in the future of the country.

1959 Tennessee Legislation - Final Report  
Session: January 5 to March 20, 1959

Legislative Program

Electrification

The Tennessee Rural Electric Cooperative Association, Inc. (statewide) sponsored legislation to provide for protection of cooperative territory (see H.B. 285-S.B. 262, below, failed) and to limit the liability of electric power suppliers for accidents arising from faulty electrical wiring (see S.B. 329-H.B. 244, below, failed).

Telephone

No legislative program was reported.

Legislation Considered

Electrification

Enacted

Electrical Installations - Inspection - S.B. 283, approved March 19, 1959, Chap. 200, amends Sec. 53-2442, Tenn. Code Ann., relating to the inspection of electrical installations by deputy inspectors appointed by the State Fire Marshal by providing that municipal governing bodies, county councils, or quarterly courts may also request that electrical installations be inspected. (H.B. 356, same as S.B. 283, died in House.)

Tennessee Valley Authority - H.J. Res. 16, approved, February 4, 1959, condemns a report prepared by the U.S. Chamber of Commerce which recommends that the power facilities of TVA be sold.

Failed

Protection of Cooperative Territory - H.B. 285, passed House, tabled in Senate, would have prohibited cooperative and municipal electric systems from serving premises already served by another such system and provided that such systems shall not, without the written consent of the other, extend service to unserved premises if their electric facilities are farther from the premises to be served. The provisions of this act would have been enforceable by injunction. The provisions of the bill would not have applied to electric service by a municipality within its corporate limits, to municipal service to an industrial plant or a site supplied by the municipality, or to the construction and operation of facilities to be used solely for power transmission purposes and not for the distribution of electric power. As passed by the House the bill was amended to provide that it should not be applicable to the Memphis municipal plant and that

counties may withdraw from any cooperative of which they may be a member and establish their own cooperative systems. (S.B. 262, same as H.B. 285, died in Senate Committee. S.B. 75 and H.B. 93, were superseded by S.B. 262 and H.B. 285, respectively.)

Electrical Installations - Liability of Power Suppliers - S.B. 329, died in Senate Committee and H.B. 244, died in House Committee, would have freed electric power suppliers from liability for injury, death, or property damage arising from faulty or unsafe electrical wiring, appliances, or installations on the premises of an electric consumer and located on the consumer's side of the electric meter or other point at which the supplier delivers electricity to the consumer. (S.B. 76 and H.B. 92, were superseded by S.B. 329 and H.B. 244, respectively.)

Labor Relations - Electric Cooperatives, etc. - S.J. Res. 43, died in Senate, would have acknowledged the existence of collective bargaining agreements between cooperative and municipal electric systems and their employees and declared that such agreements are not against the public policy of the State.

Municipalities - Annexation - S.B. 146, died in Senate, would have amended Sec. 6-309, Tenn. Code Ann., to provide that 10% of the qualified voters or property owners of the area to be annexed by a municipality may request a referendum on the proposed annexation and the ordinance of annexation shall not become operative unless approved in such referendum.

- Utility Boards - S.B. 723, withdrawn from Senate, would have amended Secs. 6-1507 and 6-1508, Tenn. Code Ann., regulating municipal public utility boards by authorizing 6 member boards for municipal electric systems and providing that 2 of the members may live outside of the city but must be consumers.

## Electrification and Telephone

### Enacted

Legislative Council - Study Electric and Telephone Cooperatives - H.J. Res. 56, approved March 21, 1959, directs the Legislative Council to make certain studies including a study of the "organization and operation of all utility districts, welfare corporations providing utility services, and telephone and electrical cooperatives" and to report its findings without recommendation. (S.J. Res. 65, superseded by H.J. Res. 56.)

### Failed

Utilities - Pay Interest on Deposits - H.B. 164, died in House, would have required all electric, telephone, gas, and water utilities, whether privately or publicly owned, to pay interest



at the rate of 3% compounded annually on deposits for the installation of meters, appliances, or the furnishing of services. The bill would have provided for the enforcement of such obligations in the Courts.

Tree Surgery - H.B. 13, died in House, would have required all persons engaging in the business of tree surgery or pruning and trimming plants to take an examination and obtain a license from the Department of Agriculture.

Telephone

Enacted

Nonprofit Corporations - S.B. 45, approved February 18, 1959, Chap. 23, amends Sec. 48-1106, Tenn. Code Ann., permitting nonprofit corporations to receive real or personal property and sell same and use the proceeds or hold the property and apply the income to corporate purposes. (H.B. 95, same as S.B. 45, died in House.)



1959 Kentucky Legislation

The Kentucky legislature meets in regular session in the even numbered years. No session was held in 1959.

1959 Mississippi Legislation

The Mississippi legislature meets in regular session in the even numbered years. No session was held in 1959.











1959 Illinois Legislation - Final Report  
Session: January 7 to June 30 (July 1), 1959

Legislative Program

Electrification

The Association of Illinois Electric Cooperatives (statewide) did not undertake a legislative program. District 9 of the Association, comprising three electric cooperatives in the southern portion of the State, were reported considering sponsorship of a modified version of the model electric cooperative act in order to obtain the right of condemnation for rights of way for transmission lines. No action was taken on this matter.

Telephone

No legislative program was undertaken by REA borrowers.

Legislation Considered

Electrification

Enacted

Atomic Energy - Legislative Commission - S.B. 867, approved July 17, 1959, provides for the appointment by the Governor of a 12 member Illinois Legislative Commission on Atomic Energy to investigate the economic and social impact of the peaceful uses of atomic energy and radiation on the people of the State. The commission will consist of 5 members of the General Assembly, 2 representing industry, 2 representing labor, 2 representing science and technology and 1 representing the insurance business and the heads of several state agencies including the Illinois Commerce Commission, as members ex officio. Commission is to submit its report and recommendations to the Governor and General Assembly prior to February 1, 1961.

Radiation Protection Act - S.B. 515, approved July 17, 1959, enacts the Radiation Protection Act substantially as suggested by the National Committee on Radiation Protection, designating the Department of Public Health as the regulatory agency for activities pertaining to health and safety in the use of radiation sources, providing for the creation of a Radiation Protection Advisory Council to assist in the formulation of policies and make recommendations to the Department, and provides penalties for failure to comply with rules and regulations.

Failed

Municipal Utilities - Service Outside of Boundaries - H.B. 1224, killed in Senate, would have amended Sec. 49-1, Revised Cities and Villages Act, relating to the power of municipalities to own and operate public utilities, by providing that municipalities owning and operating a public utility in unincorporated territory outside its corporate limits may continue to operate and to extend its services into new territory except it shall not furnish such service to additional customers in territory where another public utility holds a certificate of convenience and necessity.

Electrification and Telephone

Enacted

General Not for Profit Corporation Act - Amendment - S.B. 404, approved July 17, 1959, amends various sections of the General Not for Profit Corporation Act (pursuant to which electric and telephone cooperatives are organized and operate), Sec. 7 concerning the corporate name is amended and Sec. 7a added to provide for the exclusive use of a corporate name by filing an application in the office of the Secretary of State. Sec. 15, relating to voting by members, is amended to permit voting by proxy unless the articles of incorporation or by-laws otherwise provide. Sec. 21, relating to committees, is amended by providing limitations on the powers of committees appointed by the board of directors to manage the affairs of the corporation. These limitations prohibit changing the by-laws; electing, appointing or removing any member of such committee or corporation officer; amending articles of incorporation; adopting plan of merger or consolidation; sale, lease, etc. of corporate property; dissolution of corporation; distribution of corporate assets; amending or repealing certain board resolutions. Sec. 38, relating to mergers and consolidations, is amended to permit abandonment of a merger or consolidation prior to filing the articles with the Secretary of State. Sec. 42a is added providing for merger or consolidation of domestic and foreign corporations. Sec. 87 is amended to increase certain filing fees. Sec. 94 is amended to permit informal action by directors as well as by members.

Utility Relocation - Reimbursement - S.B. 4, approved June 3, 1959, enacts the Illinois Highway Code of 1959. Sec. 3-107 provides for reimbursement of utilities for the cost of relocation of facilities necessitated by the construction of federal-aid highway projects in the National System of Interstate and Defense Highways. Sec. 4-505 authorizes the Highway Department to acquire by purchase or by eminent domain utility right of way needed for highway construction. Sec. 9-113 provides that no utility facilities may be placed on or along any highway without first obtaining the written consent of the appropriate highway authority and limiting such consent for a period of not to exceed 20 years and requiring payment to abutting property owners for any damages.



Failed

General Not for Profit Corporation Act - Amendment - H.B. 617, passed House and Senate, vetoed by the Governor on July 16, 1959, would have amended Secs. 15 and 18 of the General Not for Profit Corporation Act (pursuant to which electric and telephone cooperatives are organized and operate) to provide that the right to vote for members of the board of directors may not be limited, enlarged or denied and that directors, other than those named in the articles of incorporation, shall be elected by the members.

Public Utilities - Rates - H.B. 1098, died in House, would have prohibited the establishment of public utility rates at a figure which will yield a net return in excess of 5% of capital.

- Taxation - H.B. 1447, died in House, would have provided that whenever counties imposed a tax on any public utility, such utility may charge its customers, in addition to any rate authorized, an additional charge equal to the sum of (1) an amount equal to such county tax, (2) 3% of such tax, or any part thereof, to cover the costs of accounting, and (3) an amount equal to the increase in taxes and other payments to governmental bodies resulting from the amount of such additional charge.

- H.B. 1448, died in House, would have amended the Revised Cities and Villages Act (Sec. 23-1) to make the authority granted a municipality to collect occupation or privilege taxes from public utilities subject to provisions of H.B. 1449 (see below).

- H.B. 1449, died in House, would have amended Sec. 24.1 of Counties Law to authorize counties to impose a 5% gross receipts tax on public utilities and provided that if a city, village, or town in the county imposed a similar tax that the county would collect it and pay over to the city, village, or town the amount of the county tax collected from sales of public utility within such municipality.

- Public Counselor - H.B. 551, died in House, would have provided for the appointment by the Governor for a 4 year term of a public counselor to represent rate payers and the public in hearings and proceedings before the Illinois Commerce Commission on matters involving rates, services, etc. of public utilities.

Junk Dealers - Regulation - S.B. 522, died in Senate, and H.B. 474, died in House, related to the regulation of junk dealers and would have required dealers to keep written records of each purchase and sale.

## Telephone

### Enacted

Emergency Calls - Party Line Telephones - S.B. 288, approved July 8, 1959, makes it a misdemeanor to refuse to relinquish a telephone party line when needed for an emergency call, and to represent falsely that an emergency exists, and requires that notice of these provisions of law be published in all telephone directories.

Telephone Companies - Use of Roads and Highways - S.B. 15, approved June 3, 1959, amends Sec. 4, Chap. 134, Smith-Hurd Ann. Stats., relating to the location of facilities along any highway, street, etc., by requiring that such companies shall comply with the provisions of the Sec. 9-113, Illinois Highway Code. (See S.B. 4, Electrification and Telephone--Enacted.)

- Eminent Domain -  
S.B. 16, approved June 3, 1959, amends Sec. 20 of Chap. 134, Smith-Hurd Ann. Stats., relating to condemnation of private property and the use of public property for telephone facilities, by providing that telephone companies constructing such facilities along any highway shall comply with the provisions of Sec. 9-113 of the Illinois Highway Code. (See S.B. 4, Electrification and Telephone--Enacted.)

Telephone Excise Tax - Repeal - S.J. Res. 10, adopted March 10, 1959, requests the Congress to repeal the Federal excise tax on telephone service.

### Failed

Telephone Company - Rates - H.B. 882, died in House, would have established a maximum rate for telephone calls within the same county at 10 cents per call except where the Commerce Commission determines that the average cost to the company exceeds 10 cents. In such a case the rate for such calls shall be established at a figure equal to the average cost.



1959 Iowa Legislation - Final Report  
Session: January 12 to May 7 (13), 1959

Legislative Program

No legislative program was undertaken by REA borrowers in Iowa.

Legislation Considered

Electrification

Enacted

Electricians - Licensing - S.F. 266, approved April 28, 1959, amends Sec. 368.6, Code 1958, to authorize municipalities to license electricians and electrical contractors, exempting regular employees of public utilities. (A similar bill, S.F. 207, failed in the 1957 session.)

Water Permits - Fees - H.F. 175, approved March 16, 1959, amends Sec. 455A.19(5), increases the filing fee from \$10 to \$15.

State Land - Sale to Cooperative - H.F. 442, approved April 17, 1959, authorizes the State executive council to sell certain land in Muscatine County to Eastern Iowa Light and Power Cooperative.

Commerce Commission - H.F. 123, approved March 19, 1959, amends Sec. 474.2, Code 1958, for appointment instead of election of the members of the Commerce Commission. (S.F. 45, a companion bill, died in the Senate.)

Failed

Public Service Commission Law - S.F. 185, died in committee, and H.F. 279, withdrawn, would have created the Iowa Public Service Commission with jurisdiction over electric, gas, and steam utilities but not over cooperative or municipal corporations, and would have abolished the Commerce Commission and transferred its duties to the new commission.

(This bill is similar to H.F. 172 which failed in the 1957 session. An important difference was the provision of H.F. 172 which required cooperatives to obtain certificates of convenience and necessity. S.F. 185 was opposed by the electric cooperatives because of uncertainty as to applicability to them of some of its provisions and because it provided no means for the cooperative to obtain new franchises or franchise renewals.)

Taxation - Property of Electric Light and Power Companies - S.F. 57 and H.F. 219, both died in committee, would have amended Chaps. 428 and 437, Code 1958, by providing for the assessment of generation and transmission facilities so as to spread their assessed

value over the entire service area instead of at the point of generation. (The bill, apparently inadvertently, had the effect of exempting certain cooperative property which was subject to taxation under existing law. Corrective amendments were prepared after discussions between the sponsors and Iowa Rural Electric Cooperative Association (statewide) officials.)

County Building Codes - H.F. 416, died in committee, would have authorized county boards of supervisors to adopt building codes and provide for the regulation and inspection of electrical, plumbing, and other installations.

Municipal Annexation - S.F. 493, died in committee, would have amended the laws governing annexation of territory to municipalities by placing the burden of initiating court proceedings relative thereto upon the objecting property owners rather than upon the municipality. (This bill was opposed by the statewide.)

Eminent Domain - Entry on Land - H.F. 114, died in House, would have repealed Sec. 489.14, Code 1958, added by H.F. 160 of the 1957 session, authorizing entry for survey purposes upon land proposed to be taken through eminent domain and used for the construction of a transmission line or other facility.

#### Electrification and Telephone

##### Enacted

Foreign Cooperatives - Fees - H.F. 525, approved May 15, 1959, amends Sec. 499.54, Code 1958, to provide that foreign cooperatives shall with respect to amendments of articles and changes in value of their property file the same statements and pay the same fees as prescribed for foreign profit corporations.

Utility Relocation - Reimbursement - H.F. 446, law without approval May 4, 1959, provides for the reimbursement of utilities for costs of relocation or removal of facilities occasioned by the construction of a project on the national system of interstate and defense highways. (S.F. 232, companion bill, withdrawn.)

Business Corporation Act - H.F. 368, approved April 22, 1959, (S.F. 479, companion bill), enacts a new Business Corporation Act which does not apply to cooperatives and nonprofit corporations.

##### Failed

Public Service Commission Law - H.F. 651, died in committee, would have created a Public Service Commission with jurisdiction over electric, gas, steam, water, and telephone utilities but not over cooperative or municipal corporations; and would have abolished the Commerce Commission and transferred its duties to the new commission. (This bill includes all of the provisions of S.F. 185 (above,



failed) and adds others including provisions for the regulation of telephone utilities. It was approved by the electric cooperatives.)

Utility Lines - Construction Along Highways - S.F. 181, died in committee, would have amended Sec. 488.1, Chap. 489 and Sec. 490.3, Code 1958, by prohibiting the construction of electric, telephone, and pipe lines along the National System of Interstate and Defense Highways without the approval of the State Highway Commission.

Public Utilities - County Regulation - H.F. 627, died in committee, would have amended Sec. 332.3, Code 1958, to authorize county boards of supervisors to regulate public utilities organized for profit, in the same manner and with the same authority as cities and towns. (Same as H.F. 524 which failed in the 1957 session.)

Taxation - Municipal Franchise Tax - H.F. 483, died in House, would have empowered cities and towns to levy a franchise tax not exceeding 2% upon the gross revenues received from furnishing gas, electric, or telephone service within the corporate limits, to be separately billed to the customers, and prohibited the levy of any other similar tax or payment for the privilege of occupying public streets or places and furnishing service within the corporate limits.

Cooperative Associations Act - Amendment - Allocations to Non-Member Patrons - S.F. 458, passed House and Senate but vetoed April 10, 1959, and H.F. 513, died in House, would have amended Secs. 499.2, 499.33, 499.40, 499.47, and 499.48, Code 1958, to permit cooperative associations to allocate and distribute patronage credits to patrons regardless of their membership. (These bills were designed to enable Iowa cooperatives to comply more easily with regulations of the Internal Revenue Service.)

- Miscellaneous - H.F.

514, passed House, died in Senate, and S.F. 456, died in Senate, would have amended Secs. 499.30, 499.33, and 499.59, Code 1958, by increasing the maximum allowable surplus; permitting payment of deferred patronage dividends to a deceased member or patron or to a member or patron association which is dissolved; and eliminating the exemption of cooperative securities from the Securities Act, thereby making the exemptions of that act fully available to cooperatives.

Unclaimed Property Act - H.F. 384, died in House, would have enacted the Uniform Disposition of Unclaimed Property Act with some minor modifications. The act contains the usual provisions dealing with utility deposits and refunds and with cooperative dividends and distributions. (Similar bills, S.F. 332 and H.F. 297 failed in the 1957 session.)



Junk Dealers - Record of Purchases - H.F. 336, died in committee, would have required all junk dealers and salvage companies to keep records of purchases for one year and make them available for inspection by law enforcement agencies, and provided penalties for violations.

Rural Residences - Numbering - H.F. 162, passed House, died in Senate, and S.F. 325, died in Senate, would have amended Sec. 307.5, and Ch. 332, Code 1958, by providing for a uniform rural residence numbering system to be adopted by the state highway commission and authorizing county boards of supervisors to erect signs in accordance with the system, and to pay the cost thereof.

State Labor Relations Law - H.F. 424 and S.F. 341, both died in committee, would have enacted a State Labor Relations Law, and established a State Board of Labor Relations to deal with unfair labor practices and representation of employees for collective bargaining.

#### Telephone

##### Enacted

Emergency Calls - Party Line Telephones - H.F. 440, approved April 29, 1959, provides penalties for refusal to relinquish immediately a party line or public pay station telephone when needed for an emergency call and for securing the use of such telephone by falsely stating that it is needed for an emergency call, and requires that notice of these provisions be printed in all telephone directories.

1959 Wisconsin Legislation - Interim Report  
Session: January 14 to  
(Legislature recessed from July 25 to November 2, 1959)

Legislative Program

Electrification

Wisconsin Electric Cooperative (statewide) considered sponsoring legislation amending the 1955 anti-duplication act to clarify certain matters as to which controversy had arisen including revision to (1) apply the prohibition of the act to pole line extensions if more than 550 feet instead of to primary voltage extensions as defined in the act; and (2) permit electric cooperatives to extend service in areas annexed to municipalities to premises located closer to cooperative facilities than to those of the public utility serving the municipality. Sponsorship or support of a utility facility relocation bill providing for reimbursement from Federal-aid highway funds was also considered. When the legislature recessed, bills on these subjects had not been introduced.

Telephone

No legislation was reported to have been sponsored by REA telephone borrowers.

Legislation Considered

Electrification

Enacted

Diversion of Water - Review by Public Service Commission - S. 126, approved June 25, 1959, Chap. 126, amends Sec. 31.14(8) Wisc. Stats. relating to the diversion of surplus waters to provide for annual review by the Public Service Commission together with the Conservation Commission of all water diversion permits issued since August 1, 1957, and to authorize the Public Service Commission to revoke any permit upon finding the withdrawal is detrimental to other riparians or to the stream or lake, and to revoke any permit for diversion from a trout stream when requested by the Conservation Commission.

Municipal Utilities - Mortgages - A. 327, approved July 20, 1959, Chap. 209, amends Sec. 66.066(1) Wisc. Stats., authorizing the mortgaging of municipal utility plant, creates a statutory mortgage lien upon the utility to holders of evidences of indebtedness issued pursuant to the subsection.



Awaiting Governor's Action

Municipal Utility Service - Contracts - S. 604, passed Senate on June 15, passed Assembly on July 1, amends Sec. 66.061 (2) (a) Wisc. Stats., to authorize cities and villages to contract for furnishing light, heat, or water to the municipality or to the inhabitants thereof for not more than 30 years (in place of existing 10 year period). (A. 896 was the companion bill in the Assembly.)

Failed

Duplication of Electric Service - Exemption of Service to Schools - S. 576, died in Senate, would have amended the 1955 anti-duplication act by exempting from its prohibitions electric service when requested for schools.

Municipal Utilities - Regulation of Competition - Service Areas - A. 440, indefinitely postponed on May 12, creates Secs. 196.50 (4)(b) and (7), Wisc. Stats., would have prohibited a municipality, being provided utility service by another municipality, either at wholesale or retail pursuant to standards of service and rates prescribed by the Public Service Commission, from constructing and operating a plant for providing the same service; authorized the commission to determine the adequacy of the service and prescribe standards therefor and to issue a certificate of convenience and necessity to the municipality served if the supplying municipality does not comply with the commission order; authorized a municipality operating a utility to prescribe its area of service by ordinance and submit same to the commission for approval; forbade the commission to increase or decrease the area of service unless service is inadequate and standards established by the commission are not complied with; and authorized a municipality to contract with a municipal utility for service at retail or wholesale for not to exceed 30 years, subject to commission approval. (A. 440 was introduced at the request of the City of Milwaukee.)

Municipalities - Annexation - A. 232, indefinitely postponed in committee and returned to the author on March 17, would have added Sec. 66.028 to Wisc. Stats., providing that any area in a village which is contiguous to a city and has directly received any municipal service from that city, may be annexed to the city after 10 years of such service by adoption of a city ordinance.

Electrical Installations - Licensing and Inspection - S. 577, died in Senate, would have created a state examining board, advisory to the industrial commission, to examine and license electricians of various classes; prohibit installation except in accordance with the state electrical code and after obtaining permit from the commission or one of its inspectors; prohibit connection to power source of installations except after inspection or, pending



inspection, on affidavit of conformity by installer; and exempts work in cities having population of 95,000 or more and an electrical code equivalent to the state code, work performed by utilities or rural electric cooperatives on their systems, and work performed personally by an owner on his own homestead (but the affidavit, inspection, permit, and inspection fee provisions are applicable thereto).

Radiation Protection Act - S. 454, died in Senate, would have enacted a Radiation Protection Act, substantially conforming to the model act suggested by the National Committee on Radiation Protection, authorizing the State Board of Health to register sources of radiation, adopt rules and regulations to prevent unnecessary radiation, make studies, and inspect radiation sources; required radiation sources to be shielded; prohibited the possession, etc. of nuclear materials except with United States license if required; created an advisory radiation protection council; and provided for enforcement.

Water Power Dams - Abandonment - S.J. Res. 59, died in Senate, would have directed the legislative council to create a legislative committee to study the long-range effect of the destruction and abandonment of water power dams on the public and private riparian owners and to report to the 1961 legislature.

## Electrification and Telephone

### Enacted

Cooperatives - Federal Tax Requirement - A.J. Res. 51, adopted June 11, 1959, refers to current recommendations of Secretary of Treasury with respect to cooperative patronage savings and the income tax status of cooperatives, and memorializes the Congress to oppose any measures which would prescribe any minimum interest rate or any maximum maturity dates for securities issued by cooperatives in payment of patronage savings to patrons.

### Awaiting Governor's Action

Eminent Domain - Statute Revision - A. 483, passed Assembly with amendments on July 10, 1959, passed Senate with amendments on July 23, and Senate amendment concurred in by Assembly on July 24, repeals Chap. 32, Wisc. Stats., dealing with eminent domain and enacts a new Chap. 32, covering the exercise of eminent domain by telephone companies, electric companies, and rural electric cooperative associations. (S. 285 is the companion bill in the Senate.)

Pending

Uniform Commercial Code - Study - A.J. Res. 91, pending, directs the legislative council to conduct a study of the Uniform Commercial Code and Wisconsin statutes relating to commercial law and report to the 1961 legislature, and makes an appropriation.

Failed

Refunds Received by Electric and Gas Consumers - Passing on to Consumers - S. 636, died in Senate, would have amended Sec. 196.645, Wisc. Stats., which in its present form authorizes the Public Service Commission to determine whether the rates of any public utility, where rates are based on the cost of any energy, commodity or service regulated by federal authority and are changed by that authority, should be changed by reason thereof. The amendment would have confined the commission's authority to gas and electric utilities and required them to pass on to their consumers any refund received from a supplier of gas or electricity which is subject to regulation by the Federal Power Commission.

Telephone

Enacted

Abandonment of Service - S.J. Res. 31, adopted June 23, 1959, states the sense of the legislature that the Public Service Commission should proceed with caution in any matter involving abandonment of transportation or communication services when such action might contribute to economic or social blight.

Awaiting Governor's Action

Telephone Party Lines - Emergency Calls - A. 950, passed Assembly July 16, passed Senate July 25, imposes fines for refusal to yield a party line when needed for an emergency and for falsely stating that an emergency exists, and requires telephone directories to have printed thereon a warning as to such actions.







1959 Minnesota Legislation - Final Report  
Session: January 8 to April 21 (24), 1959  
First Special Session: April 25 to July 1, 1959

Legislative Program

Electrification

The Minnesota Electric Cooperative (statewide) joined with Minnesota Municipal Utilities Association in sponsoring legislation providing for an electrical licensing and inspection commission (see S.F. 1100; H.F. 892, below, failed).

Telephone

No legislative program was reported to have been undertaken by REA borrowers.

Legislation Considered

Electrification

Enacted

Electricians Licensing - S.F. 872, approved April 24, 1959, Chap. 496 amends Sec. 326.24, Minn. Stat. 1957, relating to licensing of electricians by adding: Subdivision 3, to provide for the inspection of electrical installations in any new construction or major remodeling or repair by electrical inspectors employed or certified by the state board of electricity; and Subdivision 4, to provide for reciprocity of electricians licenses with other States extending similar privileges upon payment of required fee and showing proof of qualification. Section 2 of the act provides for the creation of a temporary license classification "Class C Installer" for persons having the qualifications and knowledge to wire for and install major electrical home appliances on the load side of the service entrance equipment. "Class C Installers" are limited to performing their work in farm homes and villages under 1,500 population not contiguous to any city of the first class and which does not have an established business therein of a master electrician or Class B master electrician. The provisions of Section 2 shall terminate on July 1, 1961.

(The provisions of Section 2 were contained in legislation - see H.F. 892; S.F. 1100, below, - sponsored by the Minnesota Electric Cooperative. H.F. 1366 was a companion bill in the House.)

Rural Cooperative Power Association - H.F. 1589, approved April 18, 1959; Chap. 347, authorizes the conveyance of certain real estate owned by the state to the village of Elk River and Rural Cooperative Power Association for construction of a power plant and related purposes. (S.F. 1480 was a companion bill in the Senate.)

Public Utility System - City of Cloquet - H.F. 497, approved April 3, 1959, Chap. 152, provides for the establishment and operation of electric, gas, and water utility systems by the City of Cloquet. (S.F. 401 was a companion bill in the Senate.)

Failed

Electrical Licensing and Inspection Commission - H.F. 892, died in House, and S.F. 1100, died in Senate, would have created an Electrical Licensing and Inspection Commission and prescribed its duties and functions. The nine member commission was to consist of the state fire marshal and 8 members appointed by the Governor. The appointees of the Governor were to include two electrical contractors, two journeymen electricians, an electrical engineer, and a representative each of municipal and cooperative power suppliers and public utility power companies. The Commission would have had the authority to appoint an Administrator, deputy electrical inspectors, etc. and conduct examinations for the various classes of electricians authorized under the act. The bill would have established qualifications for the various classes of licensees; prohibited engaging in the business of electrical contracting or in the occupation of electrician except by the designated classes of electricians; and provided for reciprocity with other states. Employees of power suppliers, including Cooperatives, would have been exempted with respect to work on their employers' property. All electrical installations would have been required to be reasonably safe and conform to statutes and regulations, with compliance with the recognized safety codes constituting prima facie evidence of reasonable safety. Provisions would have been made for inspection of electrical installations and equipment as specified by the commission except in political subdivisions where inspection was locally provided, and connection of installations to power supply prohibited until compliance with the act was established.

(This bill was sponsored by the Minnesota Electric Cooperative and the Minnesota Municipal Utilities Association and affiliated organizations constituting the Minnesota Electrical Regulations Study Group. This group sought to replace the present State Board of Electricity with a new body which would be more responsive to the public interests and needs, and to eliminate some of the burdensome requirements now imposed by the Board, particularly in regard to installation of appliances. When this legislation failed to receive committee action, the sponsors were successful in having S.F. 872, see above, amended to provide for a new license classification "Class C Installers".)

Electrical Inspection - Fairs - H.F. 1329, died in House, and S.F. 1098, died in Senate, would have created an electrical code formation committee to devise electrical standards and electrical inspection of fairs, circuses, and carnivals.



Public Utilities Commission - H.F. 95, died in House, would have provided for the establishment and operation of a Public Utilities Commission with jurisdiction over electric and gas companies doing business as privately owned utilities.

Regulation of Electric Utilities - S.F. 418, died in Senate, and H.F. 403, died in House, would have provided for the regulation of individuals and corporations engaged in the production, transmission, delivery or furnishing of gas or electric service by the Minnesota Railroad and Warehouse Commission (which does not now have jurisdiction over electric utilities). Cooperative associations and municipal plants operating within corporate limits would have been specifically excluded from the definition of "public utilities" subject to the act.

Atomic Energy Board - S.F. 610, died in Senate, H.F. 817, died in House, and S.F. 52 (First Special Session), died in Senate, would have created a 15 member Minnesota atomic energy board appointed by the Governor to promote the industrial utilization of nuclear and atomic energy within the state and to protect against the hazards of radiation arising from the utilization of atomic energy.

Utility Rates - Investigation - H.F. 1879, died in House, S.F. 1665, died in Senate, and H.F. 41 (First Special Session), died in House, would have established an interim committee to investigate electric and gas rates.

## Electrification and Telephone

### Enacted

Cooperative Association Act - Amendments - S.F. 465, approved April 18, 1959, Chap. 351, amends the Cooperative Associations Act as follows: Sec. 308.07, Subd. 6, relating to election of directors from districts or other local units to provide for nomination at district meetings and election at annual meetings; Sec. 308.10, relating to quorum requirements for meetings by fixing the statutory provision of 10% of the stockholders, or 50 stockholders, as the requirement regardless of the requirements of the articles or by-laws of a cooperative, but provided that articles of incorporation filed after March 26, 1949, which establish a larger quorum shall apply, and that a cooperative may amend its articles so as to provide for a larger quorum after May 1, 1959; Sec. 308.14, Subd. 2 and 4 relating to dissolution proceedings to provide for the election of a president and secretary of trustees when the resolution of dissolution calls for more than one trustee and governing the manner of execution of the certificate of dissolution; Sec. 308.15, Subd. 1 relating to amendment of articles of incorporation to permit mail ballots, and Sec. 308.07, Subd. 3 relating to federated cooperatives concerning the time of casting of votes by any stockholder or delegate. (H.F. 519 was a companion bill in the House.)

Cooperative Taxation - H.F. 520, approved March 23, 1959, Resolution 3, memorializes the Congress to oppose any measures which would impair the tax status of cooperatives. (S.F. 466 was a companion bill in the Senate.)

Nonprofit Corporations - Renewal of Existence - H.F. 347, approved March 6, 1959, Chap. 73, provides for the renewal of the corporate existence of nonprofit corporations whose period of duration has expired.

Utility Relocation - Reimbursement - H.F. 38, approved April 24, 1959, Chap. 500, revises law relating to state, county, and local highways and roads. Sec. 46 relates to reimbursement of utilities for relocation of facilities necessitated by Federal-aid highway construction and provides that such relocation work may be made a part of the state highway construction contract if the owner or operator of the utility facility requests the highway commissioner to act as its agent for the purpose of relocating such facilities. (The provisions of the 1957 law for reimbursement are not affected; they apply only to state trunk highways in National System of Interstate Highways.)

Ditch Easements - H.F. 1729, approved April 24, 1959, Chap. 514, amends Sec. 106.031, Subd. 1, Minn. Stat. 1957, relating to petitions for drainage ditches by providing for the exclusion of the holder of easements for electric or telephone transmission and distribution lines in determining whether such petitions are signed by not less than a majority of the owners of the land described in the petition or by the owners of at least 60% of the area of such land. (S.F. 1481 was a companion bill in the Senate.)

Eminent Domain Proceedings - H.F. 1495, approved April 24, 1959, amends Sec. 117.20, Subd. 5 and adds Subd. 8, relating to eminent domain proceedings instituted by the state or by any of its agencies or political subdivisions.

#### Failed

Cooperative Associations - Election of Directors - H.F. 1587, died in House, and S.F. 1422, died in Senate, would have amended Sec. 308.071, Subd. 1 and 2, Minn. Stat. 1957, and added a new subsection relating to the election of directors of cooperative associations to prohibit the voting for directors by mail after January 1, 1960.

- H.F. 569, died in House, would have amended Sec. 308.11, Minn. Stat. 1957, to provide that directors shall elect a president, one or more vice-presidents, a secretary, and a treasurer, and may elect a chairman of the board of directors. The bill would have eliminated the requirement that vice-presidents be directors and required that the president be a director unless the corporation has a chairman of the board who is a director.



Disposition of Unclaimed Property - H.F. 1639, died in House and S.F. 1467, died in Senate, would have enacted the Uniform Disposition of Unclaimed Property Act which includes provisions for the escheat of unclaimed utility deposits and refunds and unclaimed cooperative dividends and distributions.

Uniform Commercial Code - Study - S.F. 958, died in Senate, would have created an interim commission to study the uniform commercial code promulgated by the National Conference of Commissioners on Uniform State Laws and provided for submission of its report to the legislature not later than January 1, 1961.

### Telephone

#### Enacted

Telephone Service - Fraud - S.F. 608, approved March 23, 1959, Chap. 112, provides that persons who obtain services by the illegal use of credit cards or obtain long distance telephone service by illegal means shall be guilty of a misdemeanor.

#### Failed

Public Service Commission - S.F. 438, died in Senate and H.F. 521, died in House, would have amended Sec. 216.01, Minn. Stat. 1957, to change the name of the Railroad and Warehouse Commission to the Minnesota Public Service Commission.



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1959 North Dakota Legislation - Final Report  
Session: January 6 to March 6 (7), 1959

Legislative Program

Electrification

North Dakota Association of Rural Electric Cooperatives (statewide) sponsored legislation (1) amending the law governing the sale or other disposition of electric cooperative property to prohibit the disposition of physical plant in excess of 5% unless consented to by vote of not less than two-thirds of the entire membership (see S.B. 192 below, enacted); (2) providing for the examination and licensing of electric linemen (see H.B. 788 below, failed); and urging Congress to retain the 2% rate on REA loans (see H. Con. Res. 0 below, enacted).

Telephone

No legislative program was reported.

Legislation Considered

Electrification

Enacted

Electric Cooperative Corporation Act - Amendment - Disposition of Property - S.B. 192, approved March 2, 1959, adds Sec. 10-13081, 1957 Supp. to N. Dak. Rev. Code 1943, prohibiting the sale, transfer or conveyance in any year of physical plant of electric cooperatives in excess of five percent of book value except by vote of not less than two-thirds of the entire cooperative membership at a meeting after written notice. Transfer to another cooperative or to a State or Federal agency and exchanges of property are specifically exempted.

Interest Rate on REA Loans - H. Con Res. 0, adopted in House on February 9, 1959, and in Senate on February 28, 1959, urges Congress to retain the existing two percent interest rate on REA loans.

Installment and Conditional Sales Contracts - H.B. 538, approved March 16, 1959, amends the Retail Installment Sales Act, Ch. 51-13, 1957 Supp. to N. Dak. Rev. Code 1943, by revising the statutory requirements as to retail installment contracts and limiting credit service charges.

Failed

Electric Linemen - Examination and Licensing - H.B. 788, withdrawn, would have established a nine-man State Lineman Training Committee, empowered together with the State Electrical Board to make rules and regulations to administer the law; and required examination; certification and licensing of electric linemen by the committee. When amendments to make the legislation permissive instead of mandatory and to eliminate licensing were adopted in committee, the bill was withdrawn.

Electrification and Telephone

Enacted

Utility Lines - Restrictions on Placement - H.B. 811, approved March 17, 1959, prohibits the construction of any utility lines (electrical, communications, etc.) parallel to and within 102 feet of the center line of any State highway right-of-way or within 77 feet of any county highway right-of-way without the consent of the highway commissioner or board of county commissioners; requires removal of nonconforming lines hereafter constructed at expense of owner if required by highway expansion. (H.B. 811 was opposed by REA borrowers; it may be contested on constitutional grounds.)

General Cooperative Law - Distribution of Educational Fund - S.B. 139, approved March 17, 1959, amends Sec. 10-1533 (2) (a), 1957 Supp. to N. Dak. Rev. Code 1943, by broadening eligibility of cooperatives to receive educational funds from other cooperatives.

Nonprofit Corporation Act - S.B. 41, approved March 4, 1959, enacts the model Nonprofit Corporation Act and makes it applicable to existing corporations after June 30, 1961, unless they elect to become subject prior to that date.

Public Utilities - Rates, etc. - S.B. 107, approved March 10, 1959, amends Sec. 49-0506, N. Dak. Rev. Code 1943, relating to the filing by a public utility of rates, schedules, classifications, contracts, rules, and regulations, by permitting their suspension by the commission for a period of eleven months.

Failed

Eminent Domain - S.B. 203, withdrawn in the Senate on February 9, 1959, would have amended Sec. 32-1504 (1), N. Dak. Rev. Code 1943, by excluding from eminent domain proceedings rights-of-way for electric transmission and telephone lines constructed above ground when such lines are not parallel and adjacent to section lines or quarter section lines, and providing that they may be acquired by purchase only.



Municipal Occupation or Privilege Tax - H.B. 828, withdrawn in House, would have added subsection 70 to Sec. 40-0501, N. Dak. Rev. Code 1943, to empower municipalities to levy a tax of 3% on the gross receipts from electric, telephone, gas, and water service furnished within the corporate limits.

Municipal Franchises - S.B. 187, failed in Senate, would have amended Sec. 40-0501 (57), N. Dak. Rev. Code 1943, by reducing the maximum period for franchises other than railroad from 20 to 10 years, and prohibiting the issuance of franchises or privileges to regulated utilities until approved by vote of a two-thirds majority of the electors voting thereon.

Public Utilities - Rates, etc. - S.B. 208, killed in Senate, would have amended Secs. 49-0505 and 49-0506, N. Dak. Rev. Code 1943, by providing that the commission may investigate new utility rates, classifications, contracts, practices, rules or regulations.

#### Telephone

##### Enacted

Mutual Aid Cooperatives - Name - S.B. 134, approved March 4, 1959, amends Sec. 10-1202, 1957 Supp. to N. Dak. Rev. Code 1943, by requiring that the word "cooperative" be included in the name of a mutual aid cooperative and authorizing a change of name of such cooperative to include the words "mutual aid cooperative".

Federal Excise Tax on Telephone Service - H. Res. 4, adopted January 30, 1959, Memorializes the Congress to remove the 10% excise tax on local and long distance telephone service.

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1959 South Dakota Legislation - Final Report  
Session: January 6 to March 6, 1959

Legislative Program

Electrification

South Dakota Rural Electric Association sponsored legislation:

- (1) to amend the Electric Cooperative Law by requiring the affirmative vote of a majority of members who must be present and vote in person for the disposition or encumbrance of all or a substantial portion of the cooperative property (S.B. 235, below, failed);
- (2) to prohibit the furnishing or offering to furnish electric service to premises already receiving service and to authorize the continuance of service in areas affected by changes in boundaries of political subdivisions (S.B. 231, below, failed); (3) urging the United States Congress to study slack water navigation on the Missouri River, establish a single agency for Missouri River Basin development, and appropriate adequate funds for the Oahe and Big Bend Dams (H. Con. Res. 8; S. Con. Res. 15, below, failed); and
- (4) requesting enforcement of the O'Mahoney-Milliken Amendment to the Flood Control Act of 1944 (S. Con. Res. 7, below, failed).

Telephone

South Dakota Rural Cooperative Telephone Association sponsored legislation imposing a penalty for refusing to relinquish a party line in case of an emergency (H.B. 562, below, enacted).

Legislation Considered

Electrification

Failed

Electric Cooperative Law - Amendment - Vote Required for Disposition of Property - S.B. 235, passed Senate 34-1, died in House committee would have amended the Electric Cooperative Law, Sec. 11.2224 (2) S. Dak. Code Supp., to require that votes for disposition or encumbrance of all or a substantial portion of electric cooperative property be cast in person, thereby eliminating absentee voting by mail.

Protection of Territory - Anti-duplication - S.B. 231, passed Senate 19-16, died in House (referred to Legislative Research Council for study), would have: prohibited any supplier of electric service from furnishing or offering to furnish electric service to any premises served (currently or previously) by another supplier; provided that changes in the boundaries of political subdivisions shall not affect the right of power suppliers to continue service and serve new consumers within the affected area; provided court relief for aggrieved consumers if service was found inadequate and rates unreasonable without likelihood of correction.



Missouri River Development - H. Con. Res. 8, killed in House, and S. Con. Res. 15, passed Senate, died in House, would have urged the United States Congress to study slack water navigation on the Missouri River, establish a single agency for Missouri River Basin development, and appropriate adequate funds for the Oahe and Big Bend Dams.

- S. Con. Res. 7, passed Senate, died in House, would have requested enforcement of the O'Mahoney-Milliken amendment to the Flood Control Act of 1944 dealing with utilization of Missouri River water.

Electrical Licensing and Inspection - H.B. 730, died in House Committee, would have provided for licensing of electrical contractors and electricians; established a State Electrical Board; provided for inspection of electrical installations; established standards for electrical wiring; and exempted wiring of homesteads by owner provided he complied with standards. (Substantially same as H.B. 1002, died in 1957 session.)

Electrical Contractors - Bond - H.B. 748, passed House, died in Senate, would have repealed Chap. 31.04B, S. Dak. Code Supp., requiring a State board for electrical contractors. (Same as H.B. 738, died in 1957 session.)

Plumbing - Licensing and Regulation - H.B. 1007, killed in House, would have provided for the licensing and regulation of plumbers by the State Board of Health.

## Electrification and Telephone

### Failed

Public Utilities Act - H.B. 1025, killed in House, would have enacted a new Public Utilities Act, giving the Public Service Commission complete jurisdiction over all electric and telephone and other utilities, municipal, commercial, and cooperative. (H.B. 1039, failed in the 1957 session, would have extended the jurisdiction of the Commission to cover electric utilities which are not regulated under existing law.)

Utility Relocation - Reimbursement - H.B. 673, passed House, died in Senate, would have authorized the payment from State Highway funds of the costs of relocating utility facilities necessitated by construction of highways within the National System of Interstate and Defense Highways. (H.B. 855, failed in the 1957 session, was a similar bill which applied to all Federal-aid Highways.)

Taxation - Municipal Gross Receipts Levy - S.B. 276, died in Senate, would have added Sec. 45.0201, S. Dak. Code Supp., to authorize municipalities to levy a 2% annual charge on the gross receipts of electric, telephone, and other utilities, except on nonprofit utilities, as a privilege tax in addition to all others.

TelephoneEnacted

Telephone Party Lines - Emergency Calls - H.B. 562, approved February 9, 1959, imposes penalties for refusal to relinquish a party line telephone when needed for an emergency call or to secure the use of a party line by stating falsely that it is needed for an emergency. (Similar bill, H.B. 762, was vetoed in the 1957 session.)

Cooperative Associations Act - Amendment - Removal of Officers - H.B. 688, approved March 3, 1959, amends Sec. 11.1106, S. Dak. Code Supp., to provide that the bylaws may provide for removal of officers and directors for cause. (A similar bill, H.B. 621, failed in the 1957 session.)

Telephone Service - Fraud - H.B. 869, approved March 13, 1959, makes it a misdemeanor to obtain telephone service by charging same to a false or non-existent telephone number, or by charging same to an existing number without authority, or by otherwise obtaining or attempting telephone service without payment of lawful charges.

Failed

Taxation - Rural Telephone Property - S.B. 284, passed Senate, amended in House, and then killed in Senate, would have amended the 1955 gross receipts tax law by subjecting rural telephone property to ad valorem taxation in the event of failure to file reports of gross receipts, and by defining gross receipts so as to exclude donations used for capital outlay.

- Telephone Companies - S.B. 372, died in Senate, would have amended Sec. 57.1803, S. Dak. Code, by fixing the assessed value of telephone company property at not less than 60% of estimated value.

Radio Communication Systems - H.B. 870, passed House, died in Senate, would have amended Sec. 52.1301, S. Dak. Code, by including public mobile or fixed radio systems furnishing public communication service in the definition of telephone and telegraph systems.

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1959 Colorado Legislation - Final Report  
Session: January 7 to April 21, 1959

Legislative Program

Electrification

Colorado Rural Electric Association (statewide) sponsored legislation (S.B. 288, below, failed) to require the Public Utilities Commission to issue certificates of convenience and necessity for exclusive electrical service in territory where the applicant maintains distribution facilities which have been in existence for at least ten years and there are no other such facilities, despite the existence of previous certificates if no lines have been constructed or service rendered thereunder.

Consideration was given to seeking tax relief but no legislation was introduced.

Telephone

No legislative program was reported.

Legislation Considered

Electrification

Enacted

Electrical Licensing - H.B. 404, approved May 19, 1959, effective July 1, 1959, establishes a State Electrical Board, and provides for the licensing of electricians. Utility, rural electrification associations employees, and individuals doing electrical work on their own property are exempted from the license requirements. (As introduced, the bill included inspection provisions which were stricken prior to final passage.)

Failed

Territorial Protection - Certificates of Convenience and Necessity - S.B. 288, died in committee, would have required the Public Utilities Commission to grant certificates to any public utility for exclusive electrical service on a finding by the commission that (a) public convenience and necessity requires such grant; (b) the applicant maintains facilities to serve all in the area and the facilities have been in existence and utilized at least ten years; (c) no point in the territory lies near the distribution facilities of any other utility. The existence of certificates originated more than ten years before the application pursuant to which no distribution lines were constructed and no service rendered in the area would not have prevented the issuance of a new certificate, and such new certificate would have voided the older certificate. (This bill



sponsored by the statewide at the urging of Colorado 22 (Union Rural Electric Association, Inc.) was vigorously opposed in hearings before the Senate State Affairs Committee where it died.)

Plumbing - Licensing - H.B. 460, died in committee, would have provided for the licensing of plumbers after examination.

H.B. 461, died in committee, would have created an Examining Board for plumbers with authority to examine and license plumbers, and amended the statutes regulating the installation of plumbing and permits therefor.

### Electrification and Telephone

#### Enacted

Engineers - Registration - H.B. 221, approved and effective April 29, 1959, amends Secs. 51-1-2, 3, 4, 12, 13, 14, 17, 19, and 22, relating to the registration of engineers and the regulation of the practice of engineering.

Public Utilities - Assessment - S.J. Res. 22, adopted March 2, 1959, reassigns to the Legislative Council responsibility for studying methods of assessment of public utilities, to be carried out by a committee of the Council. (This is a continuation of the study directed by H.J. Res. 31 of the 1957 session.)

Uniform Disposition of Unclaimed Property Act - Study - H.J. Res. 30, adopted April 30, 1959, directs the appointment of a committee of the Legislative Council to study the problem of unclaimed property with the objective of recommending legislation to consolidate all escheat provisions and make uniform the disposition of unclaimed property. (See H.B. 113, Uniform Act, below, failed.)

#### Failed

Uniform Disposition of Unclaimed Property Act - H.B. 113, passed House, died in Senate, would have enacted the Uniform Act.

Public Utilities Commission - Salary of Members - S.B. 79, passed Senate, died in House, would have increased the salaries of the members of the Public Utilities Commission from \$9,000 to \$12,000 per annum.

Municipal Annexation - S.B. 202, 296, and 319, would have revised existing laws dealing with the annexation of territory by municipalities. (None of these bills referred to or affected utility services in annexed areas. They were closely followed by the statewide with a view to seeking appropriate protective amendments.)

Telephone

Enacted

Nonprofit Corporations - Merger and Consolidation - S.B. 201, approved and effective May 11, 1959, adds provisions to Article 20, Chap. 31, Colo. Rev. Stats. 1953, for the merger and consolidation of nonprofit corporations.

Mortgage Recordation - Real Property - S.B. 169, approved and effective May 11, 1959, imposes a six month period of limitation on actions based on failure to comply with the Realty Recording Act.

Failed

Mortgage Recordation - Chattel Mortgages - S.B. 170, passed Senate, died in House, would have repealed existing laws governing the recordation of chattel mortgages and enacted new provisions thereon.

The first of the following is a list of the names of the persons who have been admitted to the office of the Secretary of the Board of Education since the last meeting of the Board.

The second is a list of the names of the persons who have been admitted to the office of the Secretary of the Board of Education since the last meeting of the Board.

The third is a list of the names of the persons who have been admitted to the office of the Secretary of the Board of Education since the last meeting of the Board.



1959 Kansas Legislation - Final Report  
Session: January 13 to April 1, 1959

Legislative Program

Electrification

Kansas Electric Cooperatives (statewide) sponsored legislation to amend the Electric Cooperative Act to permit the election of trustees for three years staggered terms (see S.B. 139, below, enacted).

Telephone

No legislative program was undertaken by REA borrowers.

Legislation Considered

Electrification

Enacted

Electric Cooperative Act - Election of Trustees - S.B. 139, approved March 6, 1959, amends Sec. 17-4612, Gen. Stats. of 1949, relating to the board of trustees, to provide that the bylaws of a cooperative may permit the election of trustees for three year staggered terms.

Atomic Energy - H.B. 175, approved March 27, 1959, declares a policy of State cooperation in the civilian atomic energy program and of State regulation conforming to the provisions of the Federal Atomic Energy Act of 1954. The act provides for the appointment of a coordinator of atomic development activities and of an atomic energy advisory council. (This act follows the draft of the atomic development coordination act suggested by the Council of State Governments.)

Radiation Control - H.B. 376, approved March 27, 1959, provides for the regulation of certain radiation hazards and sources of radiation by the Kansas state board of health with the advice and guidance of the state atomic energy advisory council. (This act is similar to the draft of legislation recommended by the National Committee on Radiation Protection.)

Municipal Utilities - H.B. 96, approved March 25, 1959, amends Sec. 12-852 d, Gen. Stats. of 1949, relating to municipal utilities, by authorizing, upon approval by the voters, the creation of a community and utility promotion fund for the purpose of advertising and promoting the sale of electricity and water.

- S.B. 46, approved March 17, 1959, repeals Sec. 15-801 to 15-806, Gen. Stats. of 1949, relating to the appointment, terms, salaries, etc. of the board of utility commissioner, of cities of the third class.

Electrification and Telephone

Failed

Utility Rates - H.B. 209, died in House committee, would have amended Sec. 66-128, Gen. Stats. of 1949, relating to the determination of utility rates by providing that rates shall provide a reasonable rate of return of the original cost, less depreciation, of the property of the utility used or required in its services within the state, and shall be sufficient to enable the utility to operate successfully, maintain its financial integrity, attract capital and compensate its investors for the risks assumed.

Taxation - Utilities - H. Con. Res. 23, passed House, failed in Senate, would have proposed an amendment to Sec. 1 of Art. 11 of the Kansas constitution pertaining to assessment and taxation by providing for the classification and uniform taxation, at a rate no lower than other property, by the legislature of public utilities and their property.

- H.B. 108, passed House, failed in Senate, would have prescribed a uniform and equal rate of assessment of all real and tangible personal property which is subject to general property taxes and authorized the director of property valuation in determining the true and actual value of property of any public utility for the purposes of assessment and taxation to consider the value of such property used for rate making purposes by the public utility.



1959 Nebraska Legislation - Final Report  
Session: January 6 to June 27, 1959

Legislative Program

No legislative program was reported to have been undertaken by REA borrowers in Nebraska.

Legislation Considered

Electrification

Enacted

Public Power Districts - Taxation - L.B. 272, approved April 29, 1959, requires public power districts to continue to make payments in lieu of taxes in the same amounts and in the same manner as in the year 1957. (Such taxes were payable by districts which acquired electrical properties and were to be equal to the taxes received by all taxing authorities from the owner during the year preceding acquisition, but were not applicable to rural electric transmission, distribution, and service lines, substations, and easements therefore. Secs. 70-651, 70-652, 70-653, and 70-654, Nebr. Rev. Stat., imposing these taxes and providing the exemption were repealed by L.B. 272.) Commencing in 1960, every public corporation and political subdivision of the state selling electricity at retail within incorporated cities and villages, is required to pay to the county treasurer for prorata return to the cities and villages (based on property tax mill levies) a sum equivalent to five percent of the gross revenue derived during the preceding calendar year from such retail sales, less an amount equivalent to the amount paid in lieu of taxes in calendar 1957 on properties in such cities or villages. The payments provided in L.B. 272 are to be in lieu of all taxes except motor vehicle licenses and wheel taxes, permit fees, gasoline tax, and other excise or general sales taxes levied against the public generally. (An amendment exempting REA borrowers from the five percent gross revenues tax was offered but was not adopted. The Nebraska Rural Electric Association at its March 1959 meeting passed a resolution urging the exclusion of municipalities of less than 1,500 population.)

- Atomic Energy - L.B. 463, approved June 9, 1959, amends the public power district law by authorizing districts to exercise certain powers in connection with radioactive materials and energy.

Atomic Energy - Coordination of State Activities - L.B. 365, approved June 25, 1959, directs the Governor to designate an officer of one of the State departments or agencies to serve as his advisor on atomic energy developments to coordinate development and regulating activities in this field, to study and recommend changes in laws and regulations, and to investigate agreements with the Federal Government to take over regulatory functions.



Groundwater Conservation Act - L.B. 554, approved June 11, 1959, prescribes procedures for the formation of groundwater conservation districts, determination of their boundaries by designated State officials, and sets forth their powers and functions.

Failed

Public Power Districts - Transfer of Distribution System to Cities and Villages - L.B. 15, indefinitely postponed by committee, would have amended Sec. 70-650.01, Nebr. Rev. Stats., relating to public power and irrigation districts, to provide for cities and villages to vote upon the question of whether the district shall convey the distribution system to the city or village prior to the time when the bonds or obligations of indebtedness are paid. (A similar bill, L.B. 10, failed in the 1957 session; the bill was opposed by the State association.)

- Political Contributions - L.B. 16, indefinitely postponed by committee, would have amended Sec. 39-1129, Nebr. Rev. Stat., to prohibit political contributions or assistance by public power districts. (A similar bill, L.B. 17, failed in the 1957 session; the bill was opposed by the State association.)

- Report of Profits - L.B. 17, indefinitely postponed by committee, would have provided for public power and irrigation districts to submit a report to each municipality of net profits from its operations together with the amount of its expenses charged to utility operations in the municipality. (A similar bill, L.B. 14, failed in the 1957 session; the bill was opposed by the State association.)

- Appliance Merchandising - L.B. 156, indefinitely postponed, would have amended Sec. 70-625, Nebr. Rev. Stat., by prohibiting the sale by public power districts of household appliances at retail. (This bill was opposed by the State association.)

Publicly Owned Utilities - Advertising and Promotional Expenditures - L.B. 325, killed in committee, would have prohibited the expenditure of money by publicly owned utilities to engage in any advertising, promotion, or sponsorship except such as relates to safety and precautionary measures, and made the officers and employees liable for the amount of any such expenditure. (This bill was opposed by the State association.)

Electrification and Telephone

Enacted

Chattel Mortgages - Extension of Lien - L.B. 363, approved May 23, 1959, amends Sec. 36-303, Nebr. Rev. Stat., by providing for extension of the lien of a chattel mortgage beyond the initial five year period for an additional five years by the filing of an affidavit by the mortgagee stating the amount secured thereby. The

provisions of this section are made inapplicable to mortgages and deeds of trust covering real estate as well as personal property which constitute a portion of the property used in carrying on the business of a public utility.

Nonprofit Corporation Act - L.B. 349, approved June 17, 1959, enacts a new and complete Nonprofit Corporation Act and repeals several sections of existing nonprofit corporation law including Sec. 21-1523 through 21-1529, Nebr. Rev. Stat., pursuant to which nonprofit electrification and telephone borrowers have organized and operated.

### Failed

Public Service Companies - Franchise Tax Repeal - L.B. 45, indefinitely postponed, would have repealed Ch. 77, Art. 8, Nebr. Rev. Stat., which imposes a franchise tax on electric, telephone, and other public service companies.

- Property Tax - L.B. 44, indefinitely postponed, would have required that the real and personal property of all electric, telephone, and other public service companies, be assessed by the Tax Commissioner on the basis of information to be supplied by the companies, and that the assessments be certified to the county assessors for listing and assessment on the same basis as tangible property in each governmental subdivision. (These provisions would have replaced those which would have been repealed by L.B. 45, above.)

Public Utilities - Labor Disputes - L.B. 464, killed in committee, would have amended Sec. 48-816, Nebr. Rev. Stat., by extending to publicly owned utilities the jurisdiction of the Court of Industrial Relations to order collective bargaining to be begun or resumed. (This bill was opposed by the State association.)

- L.B. 465, killed in committee, would have repealed Chap. 48, Art. 8, Nebr. Rev. Stat., establishing the Court of Industrial Relations and governing public utility labor disputes.

State Railway Commission - Fees for Regulation - L.B. 654, indefinitely postponed, would have authorized the State Railway Commission to impose fees and charges upon persons, association, etc. subject to or invoking its jurisdiction, in order to enable the commission to become more nearly self-supporting. (A similar bill, L.B. 269, failed in the 1957 session.)

Telephone

Enacted

State Railway Commission - Territorial Maps - L.B. 170, approved March 3, 1959, requires any telephone company operating an exchange in Nebraska to file maps of its exchange service areas with the commission and to keep them continuously current.

Telephone Service - Fraud - L.B. 324, approved April 6, 1959, makes it a penal offense to obtain telephone services by fraud.



1959 Wyoming Legislation - Final Report  
Session: January 13 to February 21 (22), 1959

Legislative Program

Electrification and Telephone

The Wyoming Rural Electric Association (statewide) sponsored legislation (H.B. 58, below) amending the nonprofit corporation law under which both electric and telephone cooperatives organize and operate to make it possible, on a permissive and not mandatory basis to (1) eliminate cumulative voting for directors; (2) lower quorum and voting requirements in connection with amendment of certificates of incorporation.

The Association considered but decided not to sponsor at the 1959 session legislation suggested by REA eliminating the burdensome requirement that chattel mortgages state the date on which the last installment matures. This statutory provision makes it necessary, in connection with each supplemental loan to a Wyoming borrower, to obtain a supplemental mortgage or deed of trust giving the final maturity of the latest note, entailing effort and expense which the proposed amendment would have eliminated.

Legislation Considered

Electrification

Failed

Public Utilities Act - Regulation of Metered Sales of Electric Energy to Tenants - S.F. 13, passed Senate, indefinitely postponed in House, would have amended Sec. 64-101(h), Wyo. Comp. Stats. 1945, as amended, which exempts from regulation under the Public Utilities Act the generation and distribution of electricity and other utilities by the producer for its use or for the use of its tenants and not for sale to others, by making the exemption inapplicable to metered sales of such utility service to tenants. (This bill was reported to have been directed at subjecting to regulation the furnishing of electricity, gas, and water to tenants of trailer courts.)

Wyoming Development Commission - H.B. 204, died in House committee, would have established the Wyoming Development Commission, replacing the Natural Resources Board, to assemble and disseminate information pertinent to development of the State, including water and power resources.

Electrification and Telephone

Enacted

Nonprofit Corporation Law - Amendments - H.B. 58, approved February 9, 1959, Chap. 48, amended the nonprofit corporation provisions of the general corporation law (Chapter 44, Art. 1, Wyo. Comp. Stats. 1945) by making it possible, on a permissive and not mandatory basis, for nonprofit corporations - (1) to eliminate cumulative voting for directors (Sec. 44-109); and (2) to lower the quorum and voting requirements in connection with amendment of certificates of incorporation.

- S.F. 148, approved March 2, 1959, Chap. 189, enacted a new nonprofit corporation act and provided for the conversion under the act of certain nonprofit corporations.

Corporate Powers - Constitutional Amendment - S.J. Res. 3, approved February 9, 1959, Sen. Enrolled Joint Res. No. 1, proposes submission to the electorate of an amendment to Sec. 6, Art. 10 of the Wyoming Constitution providing that corporations shall have power to engage in such and as many lines or departments of business as the Legislature shall provide.

Professional Engineers - Title or Description - H.B. 76, approved February 5, 1959, Ch. 21, amended Sec. 37-2201 and Sec. 37-2209, Wyo. Comp. Stats. 1945, to make it unlawful to use or advertise the title or description of professional engineer or land surveyor unless duly registered as such.

Failed

Corporations - Quorum Requirements - S.F. 54, died in Senate after unfavorable committee report, would have authorized disregarding and not counting for quorum requirements stockholders who fail to attend annual meetings in person or otherwise for five consecutive years.

Public Service Commission - Salaries - S.F. 151, died in Senate after unfavorable committee report, would have amended Sec. 64-103, Wyo. Comp. Stats. 1945, as amended, to increase the commissioners' salaries from \$6,000 to \$7,000 per annum.







1959 Alaska Legislation - Final Report  
Session: January 26 to April 16, 1959

(The Legislature of Alaska meets in two annual sessions. The first session convenes in the odd-numbered years. Legislation introduced in the first session and not finally disposed of may be considered during the second session which meets in the even-numbered years. The second regular session of the Legislature will convene on January 25, 1960.)

Legislative Program

Electrification

The Alaska Rural Electric Cooperative Association sponsored legislation (see H.B. 157, below--vetoed) which would have prohibited the duplication of electric service except with the consent of the present supplier, or the furnishing of or offer to furnish electric service to premises located within 1,500 feet of an existing distribution line of another supplier.

Electrification and Telephone

The Association also sponsored an Electric and Telephone Cooperative Act (see S.B. 67, below--enacted).

Legislation Considered

Electrification

Enacted

Atomic Energy - Regulation and Coordination - H.B. 49, approved April 27, 1959, Ch. 119, enacts the model Coordination of Atomic Development Act in the form suggested by the Council of State Governments; adopts a policy encouraging widespread participation in the development and utilization of atomic energy for peaceful purposes, of looking toward adoption of laws and regulations to meet the needs of such a program, and of initiating and coordinating studies thereof; assigns various state agencies responsibility for conducting studies and recommending laws and regulations and changes therein; establishes the Office of Coordinator of Atomic Development Activities; and provides for cooperation with the Federal Government.

Failed

Duplication of Electric Service - Prohibition - H.B. 157, passed both Houses, vetoed by the Governor on April 23, 1959, would have prohibited any supplier of electric service with gross annual revenues exceeding \$100,000 from serving any premises already receiving electric service except with the consent of the existing supplier;

also prohibited service or offer to serve premises located within 1,500 feet of the existing distribution line of another supplier except with the consent of that supplier; provided remedies for persons claiming available service is inadequate or that the terms and conditions thereof are unreasonable; and entrusted enforcement and determination of controversies to the Public Service Commission (created by S.B. 54, Ch. 199, see below) including the determination of service areas of small suppliers who are not subject to the bill's provisions, as required to prevent unnecessary duplication and overlapping of service and facilities. (H.B. 157 was sponsored by the Alaska statewide, and opposed by the League of Alaskan Cities; vetoed on the ground that the determination of area boundaries was a proper function of the Public Service Commission. As introduced, H.B. 157 provided for court enforcement and relief but was amended when it became apparent that the Public Service Commission bill would be enacted.)

Electrical Contractors - Licensing - H.B. 61, passed by both Houses, vetoed by the Governor on April 28, 1959, would have created a Board of Electrical Examiners composed of three electrical contractors with authority to examine and license electrical contractors; prohibited electrical contracting work by any persons other than licensees; and exempted electrical departments or employees of a municipality, electrical public service corporations, telephone businesses, and other specified enterprises.

#### Pending

Taxation - Motor Fuel - H.B. 84, pending and carried over to the 1960 session, would impose an additional tax of 5¢ per gallon on all motor fuel with specific exemption for fuel used to operate stationary power plants operating as public utility plants and generating electrical energy for sale to the general public, and fuel used by nonprofit power associations or corporations for generating electric energy for resale.

#### Electrification and Telephone

##### Enacted

Electric and Telephone Cooperative Act - S.B. 67, approved and effective April 16, 1959, Ch. 93, enacts a complete Electric and Telephone Cooperative Act, combining substantially the model Electric Cooperative Act and Telephone Cooperative Act developed by REA; provides for the formation and operation of nonprofit, membership cooperatives for the purpose of engaging in the electric or telephone business; extends automatically without need for corporate action to all existing nonprofit electric and telephone cooperatives in Alaska; and provides for a gross receipts tax of one percent for cooperatives which have furnished service to consumers for less than five years, and two percent thereafter, in lieu of state and local ad valorem, income, and excise taxes levied



on or after January 1, 1960, except that inventories and fixtures of incidental businesses such as appliance stores and departments are not exempted from ad valorem taxes.

Rural Electrification and Telephone Service in Alaska - H. Mem. 4, adopted February 26, 1959, urges the REA Administrator to make studies and investigations concerning the condition and progress of rural electrification and telephone service in Alaska, with a view toward intensification of the REA programs in Alaska.

Public Service Commission - Creation - S.B. 54, approved and effective May 9, 1959, Ch. 199, establishes within the Department of Commerce the Alaska Public Service Commission. As enacted, the law confers upon the commission jurisdiction over electric and telephone, including municipal and cooperative, and other types of utilities doing a gross annual business over \$100,000, with respect to service, rates, and service areas (where two or more utilities furnish the same service in the same area), joint use and interconnection of facilities, accounts, depreciation practices, additions and expansions which may be the basis of a rate adjustment, distribution of surplus, profits, and operating margins, etc. but suspends its application to electric, telegraph, and telephone utilities pending adoption by the legislature of specific legislation pursuant to a report and recommendation to be made by the commission to the 1960 session. (The bill was opposed by the municipal and private utilities. The provision suspending its application to electric and communications utilities represented a compromise. The veto of H.B. 157, the anti-duplication bill, appears to have been associated with the suspension provision. H.B. 181 was the companion House bill to S.B. 54.)

Uniform Securities Act - S.B. 24, approved and effective May 9, 1959, Ch. 198, enacts the Uniform Securities Act. It was amended prior to passage to exclude from the definition of "security" a certificate of membership or share in any cooperative corporation. (Note: This provision was inserted at the request of the State association since the Electric and Telephone Cooperative Act did not provide for exemption from the Securities Act.)

Cooperative Corporation Act - S.B. 55, approved April 27, 1959, Ch. 107, enacts a general Cooperative Corporation Act, superseding Secs. 33-5-1 through 33-5-30, ACIA 1949, pursuant to which electric and telephone cooperatives had been incorporated prior to enactment of the Electric and Telephone Cooperative Act. Prior to its passage, S.B. 55 was amended, at the request of the State association, to exclude electric and telephone cooperatives from its operation.

Public Utility Districts - Eminent Domain - H.B. 125, law and effective without the Governor's approval on April 30, 1959, Ch. 146, amends the laws relating to eminent domain by extending to public utility districts and school districts the authority to take title to property sought by eminent domain by making a declaration of taking and depositing the estimated amount of compensation in court.

Workmen's Compensation Act - S.B. 22, approved and effective May 7, 1959, Ch. 193, enacts a general Workmen's Compensation Act.

Failed

Public Utility Districts - Building Codes and Regulations, and Zoning - S.B. 89, passed both Houses and vetoed by the Governor on April 10, 1959, would have amended Sec. 49-2-21, ACLA 1949, as amended, to add to the powers of public utility districts the making of provision for building codes and regulations and for zoning in the same manner as provided for cities of the first class with the limitation that such provision must be reasonably practical for a rural or suburban area as the case may be.

Pending

Electric and Telephone Lines - Statute of Limitations - S.B. 107, pending in committee and carried over to the 1960 session, would have barred the bringing of actions by reason of the maintenance of electric or telephone lines on any real property after a period of two years of continuous maintenance of such lines. (This provision was incorporated in S.B. 67, the Electric and Telephone Cooperative Act, as originally introduced, but was deleted in the House by amendment. S.B. 107 was sponsored by a legislator opposed to the provision in S.B. 67 who adopted the strategy of sponsoring a bill of general application as an offset, but S.B. 107 was not pressed by him when the provision was taken out of S.B. 67. It will probably be supported by the State association at the 1960 session.)

Public Service Enterprises - Eminent Domain - H.B. 126, pending in committee and carried over, would have extended the laws relating to eminent domain by the State to persons, firms, and corporations operating electric, telephone, and other public utilities, and given them the authority to take title to property sought to be condemned by making a declaration of taking and depositing the estimated amount of compensation in court.

Municipal Utilities - Taxation - S.B. 102, pending and carried over to the 1960 session, would have made municipal utility (including power and telephone) property subject to taxation.



1959 California Legislation - Final Report  
Session: January 5 to June 19, 1959

Legislative Program

Electrification

The California Rural Electric Co-op Assn. (statewide) sponsored legislation (see S.B. 986, below--enacted) to amend the Public Utilities Code by giving public utilities authority to borrow funds for financing the acquisition and installation of electrical and plumbing appliances and equipment.

Telephone

No legislative program was undertaken by REA borrowers.

Legislation Considered

Electrification

Enacted

Public Utilities Code - Loans for Appliance and Equipment Acquisition and Installation - S.B. 986, approved June 30, 1959, Chap. 1370, amends Sec. 817, Public Utilities Code, relating to the purpose for which public utilities may issue stocks, bonds, notes, and other evidences of indebtedness by adding provisions permitting financing of the acquisition and installation of electrical and plumbing appliances and agricultural equipment which are sold by other than a public utility for use within the service area of the public utility. (This bill was sponsored by the California statewide.)

Atomic Energy Development and Radiation Protection - A.B. 1403, approved July 11, 1959, Chap. 1819, adds Chap. 7.5 to Division 20 of the Health and Safety Code, enacting the California Atomic Energy Development and Radiation Protection Law. The act provides for the establishment in the Governor's office of a Coordinator to coordinate the programs and activities of state agencies relating to atomic energy development and radiation protection; creates a Departmental Co-ordinating Committee; establishes an Advisory Council to be appointed by the Governor; requires registration with Public Health Department by any person possessing a source of radiation, and makes it unlawful to manufacture, construct, produce, acquire, possess, etc. any materials or facilities for which a Federal permit or license is required without first obtaining such permit or license. (S.B. 304, vetoed July 16, 1959, would have established a Co-ordinator of Atomic Activities in the Office of the Governor to coordinate the regulatory



activities of the State relating to atomic energy and radiation, and provided for an official advisory council and a public citizens advisory council.)

- A.J.R. 15, adopted April 22, 1959, memorializes the Congress to amend the Atomic Energy Act of 1954 to clarify the jurisdiction of a state with regard to the protection of the health and safety of the public from radiation hazards.

Municipal Utility District - Payments of Obligations - S.B. 1137, approved July 3, 1959, Chap. 1418, adds Sec. 11891.5 to the Public Utilities Code, relating to operation of municipal utility districts, by permitting the board of a district which has operated an electric distribution system for 10 years and which maintains its accounts substantially in accordance with the uniform system prescribed by the Public Utilities Commission, to provide by resolution for the payment of demands against the district without approval of the board, if the demands are approved by the general manager and are within the amounts and purposes covered by a projection of the district's operations for a period of not longer than one year.

- Issuance of Bonds - A.B. 672, approved and effective April 20, 1959, Chap. 166, amends Sec. 13241, Public Utilities Code and Sec. 3835, Public Districts Code, relating to bonds of municipal utility districts, by providing that the board of directors of a municipal utility district may divide any issue of bonds into two or more series and fix different dates of issuance and maturity for each series. (Sec. 3835 was to be a part of a revised Public Districts Code and would have superseded Sec. 13241. The legislature did not enact the code, see A.B. 908, below--failed.)

Trinity River Project - Power Facilities - A.J.R. 23, adopted June 19, 1959, memorializes the Congress to enact legislation to provide for public rather than private construction and operation of the hydroelectric facilities of the Trinity River project. (A.J.R. 25, died in Senate, requested Congress to reject the recommendation of the Secretary of the Interior that the Pacific Gas and Electric Company be permitted to construct and operate the power features of the Trinity River project, and to appropriate funds to the Department of the Interior for prompt construction of these features.)

Failed

State Water Projects - Sale of Electric Power - A.B. 2860, died in Assembly, would have amended Sec. 11626, Water Code, by requiring surplus power from state water projects under the control of the Department of Water Resources to be disposed of so as to

encourage most widespread use at lowest rates consistent with sound business principles; requires rates to be set so as to recover costs; gives preference in sale of power to public bodies, cooperatives, and nonprofit organizations supplying power or water to their members or citizens, and authorizes the construction or acquisition of necessary transmission lines and facilities. (Amplifies existing provisions relative to disposition of energy by State-authorized Central Valley Project.)

- Full and Integrated Development - S.B.

1048, died in Senate, would have added Part 4 to Division 6, Water Code, prescribing principles and requirements for the full and integrated development of the State's water resources by federal, state, local, and private entities.

Publicly Owned Utilities - PUC Jurisdiction - A.C.A. 17, died in Assembly, would have proposed an amendment to Article XII of the California Constitution by adding Section 23b to give the Public Utilities Commission authority to regulate and supervise publicly owned public utilities in same manner as privately owned utilities.

- Taxation - A.B. 658, died in Assembly, would have added provisions to the Government Code authorizing a county, city, or district to impose a privilege tax on any public agency owning any tax-exempt property which it uses in connection with its operation of a gas or electric utility.

Public Districts Code - A.B. 908, died in Assembly, would have established a Public Districts Code, consolidating and revising the law relating to municipal and public utility districts, etc.

- Tax on Purchase of Falling Water - S.B.

1017, died in Senate, would have added Part 20 to the Revenue and Taxation Code, imposing a privilege tax of 1/2 mill per kilowatt hour on the purchase by a private corporation, subject to PUC jurisdiction, of electricity for resale which is generated at tax-exempt facilities and a tax of 1/4 mill per kilowatt hour on electricity generated from the purchase of falling water produced by such tax exempt facilities, and providing for the payment of the funds collected from such taxes to the county where tax-exempt facilities are located.

Atomic Energy - Radiation - Radiological Safety Agency - A.B. 1883, died in Assembly, would have added provisions to the Health and Safety Code concerning the regulation and control of atomic energy and radiation; provided for creation of a Radiological Safety Agency and prescribed its powers and duties regarding the peaceful uses of atomic energy and radiation; and required approval by a Technical Council of regulations issued by any other state agency regarding atomic energy, radioactive materials and radiation equipment.



Electrification and Telephone

Enacted

Public Utilities - Regulation - Study - H. Res. 386, adopted June 19, 1959, provides for reference to an interim committee, for study and report to the 1961 session of the Legislature, of matters relating to the regulation of public utilities by the Public Utilities Commission, procedures for handling complaints, conduct of investigations, hearings, etc.

Uniform Disposition of Unclaimed Property - A.B. 16, approved July 11, 1959, Chap. 1809, enacts the Uniform Disposition of Unclaimed Property Act which contains provisions for escheat to the state of unclaimed deposits and refunds held by utilities and dividends and distributions of cooperative associations.

Cooperative Corporations - Amendment of Articles - A.B. 1517, approved July 3, 1959, Chap. 1540, amends Sec. 12900, Corporations Code (pursuant to which electric and telephone cooperatives are organized and operate), which provides that cooperative corporations may amend their articles of incorporation in the manner prescribed by the General Corporation Law, by striking out provisions that approval of the amendment by resolution of the board of directors is not required and that the amendment be approved by the votes or written consent of shareholder representing 3/4 of the voting power.

Streets and Highways - Electric or Telephone Facilities - A.B. 663, approved May 23, 1959, Chap. 502, amends various sections of the Streets and Highway Code relating to the installation by local agencies of facilities for the furnishing of utility services including electric and telephone; adds Sec. 5103 to provide that whenever a work or improvement includes the installation of electric or telephone service that agreements may be entered into with the electric or telephone utility serving the area to perform such work or improvement.

Failed

Public Utilities - Rates - A.B. 1668, died in Assembly, would have added Sec. 728.5 to the Public Utilities Code, to provide that the costs of advertising or of any literature mailed or delivered to consumers shall not be included as operating expenses by the PUC in the fixing of rates.

- S.B. 368, died in Senate, would have amended Sec. 453, Public Utilities Code, to provide that a public utility shall not give any undue or unreasonable preference or advantage as to rates, charges, service facilities, etc. to any corporation or person.



- S.B. 1173, died in Senate, would have amended Sec. 454 of the Public Utilities Code relating to rates to provide that an increase shall take effect automatically within 30 days of filing an application with the PUC if there is a showing that such rates would not exceed the rates permitted by a federal governmental body for like services in interstate commerce, and that the rates shall remain in effect and be collected pending an investigation by the commission, subject to refund if the commission prescribes a lower rate after hearing.

- S.B. 1425 and S.B. 1426, died in Senate, would have added Sec. 729.5 to the Public Utilities Code to empower the PUC in fixing rates to disallow as an operating expense any taxes not actually paid because of a claimed, normalized future tax liability resulting from the use of liberalized depreciation and to disallow any charge to the operating expense of the utility for taxes not reasonably paid.

Publicly Owned Utilities - Rates - A.B. 2374, vetoed July 24, 1959, would have added Sec. 53064 to the Government Code to require publicly owned public utilities, furnishing light, heat, power, means of communication, etc., to give not less than 30 nor more than 60 days notice prior to any hearing relating to rate increases.

Public Utilities Commission - Review of Decisions - S.B. 255, died in Senate, would have amended various sections of the Public Utilities Code to revise the procedures for judicial review of the orders and decisions of the Public Utilities Commission.

- Organization - S.B. 1416, died in Assembly, would have repealed and replaced Chap. 2, Part 1, Division 1, of the Public Utilities Code, relating to the organization of the PUC and conduct of proceedings before the commission.

- Appointment - A.B. 673, died in Assembly, would have amended Sec. 301, Public Utilities Code, to provide for the division of the State into five districts and the appointment by the Governor of a PUC member to represent each district.

Relocation of Utility Facilities - A.B. 330, died in Assembly, would have added Sec. 6002.5 to Public Utilities Code, to provide that as a condition to the issuance of a permit to a public utility or district by a city or county to place a facility in a street, road, or highway, that the public utility or district agree either to remove or relocate same upon notice that the facility interferes with the use, repair or improvement of the street, road, or highway.

- A.B. 2811, died in Assembly, would have added Sec. 33281 to the Health and Safety Code to provide that a redevelopment agency which requires a public utility

to relocate or remove any facilities installed in a public place pursuant to franchise to pay the utility for the cost of relocating or removing such facility.

Utility Taxation - A.B. 2826, died in Assembly, would have amended and repealed various sections of the Revenue and Taxation Code to eliminate the exemption of the sale, use, storage or other consumption of gas, electricity, or water, and certain exemptions afforded public utilities under the Sales and Use Tax Law.

Uniform Commercial Code - Study - S. Con. Res. 20, died in Assembly, would have provided for a study of the Uniform Commercial Code.

Nonprofit Corporations - Use of Name - A.B. 1057, died in Assembly, would have added Sec. 9307 to the Corporations Code, to require a corporation to change its name when its name duplicates or is deceptively similar to that of a previously formed nonprofit corporation which was suspended as a result of noncompliance with a law subsequently declared unconstitutional

## Telephone

### Failed

Telephone Corporation - Definition - A.B. 971, died in Assembly, would have amended Secs. 233 and 234, Public Utilities Code, to define telephone corporation to include every person owning, controlling or operating a telephone system, rather than a telephone line, and defines telephone system to include all property owned, controlled, operated or managed as a system by the use of which members of the public can communicate.

Telephone Lines - Franchises - S.B. 1195, died in Assembly, would have amended Sec. 7901, Public Utilities Code, to authorize cities to issue franchises to telephone and telegraph companies as a condition to the use of city streets or other city property and to tax such franchises.

- S.B. 1196, died in Senate, would have added Sec. 7901.5 to the Public Utilities Code, to confirm, ratify and validate franchises heretofore issued and taxes thereon imposed by cities on telephone and telegraph corporations as a condition to the use of city streets or other city property.

Telephone Companies - Rates - S.B. 1207, died in Senate, would have added Sec. 728.5 to the Public Utilities Code, to require the Public Utilities Commission to reduce the rates of telephone and telegraph corporations whenever any city franchise tax or fee on such corporation is lowered or abolished.



1959 Idaho Legislation - Final Report  
Session: January 5 to March 9, 1959

Legislative Program

Electrification

Idaho Cooperative Utilities Association (statewide) sought and obtained the enactment of legislation (see H.B. 129, below) imposing a gross receipts tax in lieu of all other taxes upon the operating property of electric cooperatives.

Telephone

No legislative program was undertaken by telephone borrowers.

Legislation Considered

Electrification

Enacted

Taxation of Electric Cooperative Operating Property - H.B. 129, approved March 18, 1959, Ch. 237, and effective January 1, 1959, imposes a tax of  $3\frac{1}{2}\%$  on the annual gross earnings of cooperative electrical associations in lieu of all other taxes on operating property. Non-operating property continues subject to assessment by county assessors and to the same taxes as those levied on any other property. Receipts derived from sale of energy for irrigation or drainage purposes are excluded in computing gross earnings. (This legislation was sponsored by the statewide; passed the House, 37-19; the Senate, 38-6.)

Failed

Public Utilities - Assessments - S.B. 86, killed in Senate, would have amended Secs. 63-701, et seq., Idaho Code, by including generating plants among the properties of public utilities to be assessed by the State Tax Commission and prescribing procedures. (Similar legislation, S.B. 37 and S.B. 310, failed to pass in the 1957 session.)

Electrification and Telephone

Enacted

Public Utilities Commission - Term of Office - H.B. 292, approved March 17, 1959, Chap. 192, amends Sec. 61-201, Idaho Code, by increasing the terms of the commissioners' offices from four to six years.



Failed

Uniform Disposition of Unclaimed Property Act - H.B. 119, passed House, died in Senate, would have enacted the Uniform Disposition of Unclaimed Property Act which includes provisions for escheat of unclaimed utility deposits and refunds and unclaimed cooperative dividends and distributions.

Utility Relocation - Reimbursement - H.B. 79, died in House, would have amended Sec. 40-120, Idaho Code, by striking the provisions of a 1957 amendment (S.B. 107, Ch. 227, Laws of 1957) of the highway laws for reimbursement by the state for relocation of utility facilities occasioned by construction of Federal-aid primary or secondary highway systems or the Interstate System.

Telephone

Failed

Cooperative Telephone Lines - Tax Exemption - H.B. 65, withdrawn, would have amended Sec. 63-105, Idaho Code, by removing the exemption from ad valorem taxation of nonprofit cooperative telephone lines.

- H.B. 251, passed House, amended in Senate, and then killed in House, would have amended Sec. 63-105, Idaho Code, by limiting the exemption from ad valorem taxation of cooperative telephone lines to those from which no profit is derived and (instead of or) over which no fees or tolls are charged, and by further limiting the exemption to systems with 50 subscribers or less.

1959 Montana Legislation - Final Report  
Session: January 5 to March 5 (9), 1959

Legislative Program

Electrification

Montana State Rural Electric Association (statewide) sponsored legislation (see S.B. 164, below, failed) to stabilize the territories of public utilities and cooperative associations by prohibiting electric service to persons already served or whose point of delivery is within 1,000 feet of the distribution lines of another supplier.

Telephone

No legislative program was reported to have been undertaken by REA borrowers.

Legislation Considered

Electrification

Enacted

Power Development - Yellowtail Dam - H.J. Mem. 2, approved February 20, 1959, memorializes the Congress to appropriate \$10,000,000 to commence construction of the Yellowtail Dam, Big Horn River, Montana, and to provide for the reservation of a block of power for Montana.

- Libby Dam - H.J. Mem. 3, approved February 16, 1959, memorializes the Congress to amend the authorization for the Libby Dam Project, Kootenai River, Montana, to provide for construction in two stages, the first backing water up to the international boundary, the second to be added when agreement is reached with Canada, to appropriate funds for detailed planning and design and commencement of construction; and to reserve a block of power for Montana.

- Glacier View Dam - H.J. Mem. 7, approved March 12, 1959, memorializes the Congress to adopt legislation authorizing Federal construction of Glacier View Dam, North Fork of the Flathead River, Montana, and reserving a block of power for Montana, and to appropriate funds for detailed planning and construction.

- Paradise Dam - H. Res. 8, adopted, memorializes the Congress to authorize construction of Paradise Dam, Clark Fork River, Montana, provide appropriations for detailed planning and construction, and reserve power to be used in Montana.



- Absaroka-Yankee Jim Dam - H. Res. 11, adopted, memorializes the Congress to place the Absaroka-Yankee Jim Dam under construction at the earliest possible time and that a substantial block of power be reserved for Montana.

- Investigation of Missouri Basin Water Supply - S.J. Mem. 3, approved March 10, 1959, memorializes the Congress to make an immediate, complete investigation of the Missouri Basin water supply covering the present method of control and allocation of water and power, the question of maximum financial return through the sale of power, and the present application of the O'Mahoney-Milliken amendment to the Flood Control Act of 1944; and to give Montana people and industry first consideration in the adjudication of water and power distribution and to protect their rights therein.

Plumbers - Regulation - Sub. H.B. 78, approved March 13, 1959, Chap. 251, creates a State Plumbing Board, makes provision for the granting and revocation of plumber licenses and substitutes one registered engineer qualified in mechanical engineering for one of the journeyman plumbers on the Board of Plumbing Examiners which is made the State Plumbing Board. (A companion bill, S.B. 127, died in the Senate.)

#### Failed

Prohibition of Duplication of Electrical Service - S.B. 164, killed in Senate (24-31), would have prohibited public utilities and cooperative associations from furnishing electric service to persons already served or whose point of delivery is located within 1,000 feet of an existing distribution line of another supplier. Enforcement would have been assigned to the district court. (As originally introduced the bill provided for release by the district court of aggrieved consumers upon a finding that service was inadequate or rates unreasonable. This provision was stricken by amendment prior to the unfavorable Senate vote.)

Public Utility Districts - Formation and Operation - S.B. 217, killed in House committee, would have enacted a public utility district law providing for the formation and operation of public utility districts, with provisions for elections for their formation, with power to acquire, construct, and operate power facilities and water and irrigation works, including the power of eminent domain, to issue general obligation and revenue bonds, to levy a tax not exceeding two mills on all taxable property within the district and to levy special assessments for improvements in local utility districts and to finance same by bonds or warrants secured by assessments against property within the local district.



Electric Energy Producers' License Tax - H.B. 452, killed in House, would have increased the electrical energy producers' license tax from  $1\frac{1}{4}$  to 2 percent of the gross amount of sales. (H.B. 278 of the 1957 session increased this tax from 1 to  $1\frac{1}{4}$  percent.)

Atomic Energy - Coordination and Regulation - H.B. 345, died in committee, would have prohibited utilization of nuclear material except in compliance with the Federal Atomic Energy Act; directed certain state departments to study need for and recommend changes in the laws and regulations administered by them dealing with nuclear materials and operations; authorized the Governor to appoint a Coordinator of Atomic Development Activities to coordinate the studies. (The bill generally conformed to the draft of model bill published by the Council of State Governments.)

Radiation - Regulation - H.B. 436, killed in House, would have created a State Radiation Protection Council; authorized the State Board of Health to conduct studies of radiation hazards and adopt rules and regulations thereon with the concurrence of the Council; required registration of radiation sources; and provided for enforcement. (The bill generally followed the model Radiation Hygiene Act developed by the National Committee on Radiation Protection.)

Plumbers - Regulation - H.B. 454, killed in House, would have amended the laws dealing with licensing of plumbers by extending their application to small cities and towns and requiring any person working at the business of plumbing to be licensed.

## Electrification and Telephone

### Failed

Moving Utility Lines - S.B. 113, passed Senate, killed in House, would have amended Sec. 24-138, Rev. Codes Mont., 1947, relating to the duties of owners of utility poles and lines by extending to areas outside of cities and towns the requirement that persons moving structures pay for the cost of raising or cutting of wires or removing poles. (An identical bill, S.B. 48, was vetoed by the Governor in the 1957 session.)

Public Service Commission - Utility Rates - H.B. 180, killed in House, would have amended Sec. 70-106, Rev. Codes Mont., 1947, to require the Public Service Commission to be guided by revenue requirements in determining utility rates. (A similar bill, H.B. 221, failed in the 1957 session.)

- H.B. 257, killed in House committee, would have amended Sec. 70-106, Rev. Codes Mont., 1947, to require that all hearings, investigations, etc. be public; authorized the commission to employ rate experts, engineers,

auditors, and attorneys and imposed the expense of hearings, investigations, etc. upon the utility involved, but not to exceed two percent of the final valuation placed upon the utility property; prohibited petitions for valuation or revaluation more than once every three years; and established a revolving Public Utility Valuation Fund.

Taxation - Study - H.B. 334, killed in House, would have established a commission to study the entire tax structure of the state and recommend a program of improvement with equitable uniform taxation of all property, and to report to the Governor no later than December 1, 1960.

#### Telephone

##### Failed

Telephone Business - Taxation - H.B. 451, killed in House, would have amended Secs. 84-2601 and 84-2602, Rev. Codes Mont., 1947, by increasing the gross income tax on telephone business from  $1\frac{1}{2}$  to 2 percent. (H.B. 275 of the 1957 session increased the tax from 1 to  $1\frac{1}{2}$  percent.)

1959 Nevada Legislation - Final Report  
Session: January 19 to March 26, 1959

Legislative Program

Electrification

White Mountain Power Cooperative, Inc. (Nev. 12) sponsored legislation (S.B. 12, below - failed) to exempt from taxation real and personal property of rural electrification cooperatives.

Legislation Considered

Electrification

Failed

Rural Electrification Cooperatives - Property Tax Exemption - S.B. 12, died in Senate, would have amended Chap. 361 of Nevada Revised Statutes by adding a new section providing that real and personal property of rural electrification cooperatives shall be exempt from taxation. (This bill was referred by the Chairman of the Senate Committee on Taxation to the Nevada Attorney General with a request for an opinion as to its constitutionality. The Attorney General held in Opinion No. 12, February 20, 1959, that the bill was unconstitutional.)

Irrigation Districts - Power Lines - A.B. 186, passed Assembly, died in Senate, would have amended the irrigation district law to permit districts to acquire electric power and transmission lines that cost less than \$100,000 without an election.

Electrification and Telephone

Failed

Utility Facilities - Relocation - A.B. 427, returned to author, would have amended the State Highways and Roads law by adding provisions relating to the relocation and removal of utility facilities.

Utility Regulatory Fees - A.B. 434, passed Assembly, died in Senate, would have provided for payment by certain public utilities of regulatory fees based on gross revenues derived from intrastate operations.

Telephone

Enacted

Telephone Companies - Installations - A.B. 156, approved March 11, 1959, Chap. 139, repeals Sec. 707.330, Nevada Revised Statutes, which required telephone companies to install instruments and furnish service upon application and provided for payment of damages for refusal or neglect to make such installation.





1959 Oregon Legislation - Final Report  
Session: January 12 to May 6 (7), 1959

Legislative Program

Electrification

Consumers Power, Inc. sponsored legislation (see S.B. 457, below, failed) to authorize commercial and cooperative utilities to contract for exclusive rights to serve designated service areas, subject to approval by the Public Utility Commissioner and to make laws governing regulated public utilities applicable to cooperatives executing such contracts.

Legislation Considered

Electrification

Enacted

Electrical Installations - Licensing and Inspection - S.B. 213, approved and effective May 6, 1959, Chap. 406, enacts the Electrical Safety Act with provisions for: prohibiting electrical installations without a license; licensing of various classes of electrical contractors and electricians by the Labor Commissioner; registration of dealers in electrical products and supplies; establishing standards for electrical products and installations, certifying of electrical products, and authorizing the Labor Commissioner to adopt rules in connection therewith; appointment of electrical inspectors by the Labor Commissioner; issuance of labels by the Labor Commissioner for electrical products and installations; appointment of an Electrical Advisory Board; exempting from the license requirements electrical installations on property by owner and installations in public utility plants.

Hydroelectric Power Projects - License Conditions - S.B. 100, approved and effective May 25, 1959, Chap. 560, amends ORS 543.300 listing the conditions upon which state licenses for hydroelectric power projects shall be granted, by imposing further conditions relating to the use, storage, and discharge of waters as may be prescribed for the protection of life, health, and property and in the interest of fullest practicable conservation and utilization of water for power purposes and other beneficial public uses, and requiring release of water at such rate or volume as may be prescribed by the state commission.

Peoples' Utility Districts - Bond Issue Elections - S.B. 19, approved May 25, 1959, Chap. 548, amends ORS 261.355 and 261.360 by eliminating the requirement that not less than 25 percent of the registered voters within the district vote at a special election

on the issuance of revenue bonds but retaining this vote requirement with respect to general obligation bonds.

- Election Notices - S.B. 69, approved and effective March 9, 1959, Chap. 72, amends ORS 261.510 by requiring posting of notice of special elections whether or not held concurrently with general elections.

- Compensation of Directors - S.B. 286, approved March 20, 1959, Chap. 118, amends ORS 261.435 by increasing the maximum compensation payable to public utility district board members.

- Board Vacancies - S.B. 287, approved March 24, 1959, Chap. 142, amends ORS 261.415 by prescribing the circumstances under which the office of director is considered vacant, and the Governor may fill the vacancy.

Dam Construction - Fishery Research - H.J. Mem. 5, adopted March 27, 1959, memorializes the President to review the failure to adequately finance fishery research which is causing delay in the planning of needed dams and urging that additional Federal appropriations be made available to the Departments of Defense and Interior so that planning for both fish and dams may proceed in an orderly fashion.

#### Failed

Territorial Protection - Commission Supervision - S.B. 457, tabled in committee, would have added to ORS Chap. 757, provisions authorizing electric cooperatives and commercial public utilities to contract for the exclusive right to serve designated areas, or the right to provide all new service in areas being served by both, and for purchase or exchange of facilities to avoid duplication, subject to approval of the Public Utilities Commissioner after investigation and determination that the contract is fair and reasonable and not contrary to public interest, and with the further provision that, upon execution of such contract, an electric cooperative shall become subject to the statutory provisions for regulation of utilities with the exception of those dealing with the issuance of securities. (S.B. 457 was developed by Consumers Power, Inc. in conjunction with Pacific Power & Light Co. to resolve conflicts which had arisen in their service areas. It was neither actively and openly supported nor opposed by the Oregon Rural Electric Cooperative Association although most of the Oregon electric cooperatives were reported as being against the bill.)

Oregon Power Development Act - H.B. 528, failed in House, would have enacted the Oregon Power Development Act including provisions for the establishment of an elected Power Development Commission



with authority to generate electricity by any means; to sell electric energy at wholesale or retail with preference to public bodies and cooperatives and with provision made for direct sales of a substantial portion for industrial uses; to establish rates and charges; to acquire and construct electric facilities; exercise the right of eminent domain; to borrow money through the issuance of revenue bonds; to make payments in lieu of taxes; furnish services and financing to consumer controlled local agencies. (Prior to its defeat on the floor of the House, H.B. 528 was amended to provide for its reference to the electorate, and to restrict power sales to sales at wholesale.)

State Water Resources Department - H.B. 659 died in committee, would have created a Department of Water Resources, consisting of the State Water Resources Board, the State Engineer, and all employees and officials of the Board and of the State Engineer; abolished the Oregon Hydroelectric Commission and transferred its functions to the State Engineer.

Pacific Northwest-California Intertie Line - H.B. 660, died in committee, would have authorized the Governor to have a study made of the feasibility of construction of power transmission facilities to exchange surplus hydroelectric power between the Pacific Northwest and California.

Electric Utilities - Investigation of Expenditures - S.J. Res. 39, died in committee, would have established a joint interim legislative committee to make studies and report to the 1961 session concerning electric utility expenditures to influence public opinion and discrimination in rates against some consumers.

Peoples' Utility Districts - Financing - S.B. 281, died in committee, would have amended the peoples utility district law to require that at least 50 percent of the legal voters vote at any election to authorize the issuance of general obligation bonds except for refinancing.

- Exemption from Corporation Excise Tax - S.B. 121, died in committee, would have amended ORS 317.080 by adding to the list of corporations exempt from the corporation excise tax peoples utility districts for the taxable years ending on or after August 3, 1955.

## Electrification and Telephone

### Enacted

Public Utilities - Corporation Excise Tax - H.B. 1, approved May 26, 1959, amends ORS 317.010 and 317.070 by making public utility corporations subject to the six percent corporation excise tax. (The exemptions of electric and telephone cooperatives is not affected.)

Corporation Excise Tax - Unrelated Business Taxable Income of Exempt Corporations - H.B. 492, approved May 4, 1959, Chap. 356, subjects to the corporation excise tax the unrelated business income of certain otherwise exempt corporations. As originally introduced, H.B. 492 applied to electric and telephone cooperatives but it was amended prior to passage so as to exclude these and other exempt corporations.

Nonprofit Corporation Act - S.B. 241, approved May 25, 1959, Chap. 580, effective December 31, 1959, enacts a new Nonprofit Corporation Act pursuant to which a corporation may be organized for any lawful nonprofit purpose; prohibits the use of the word "cooperative" in the name of such a corporation.

#### Failed

Utility Facilities - Relocation - S.B. 285, tabled in committee, would have provided for reimbursement by the State Highway Commission to private, public, and cooperative utilities of the cost of relocation of their facilities occasioned by the construction of a federal-aid highway project where the state was reimbursed for not less than 90 percent of the cost thereof from federal funds (Interstate System highways).

Highway Construction or Relocation - Utility Property - S.B. 328, tabled in committee, would have amended ORS 366.335 to authorize the State Highway Commission to acquire by condemnation or exchange utility property required for the construction or relocation of highways, and to prohibit the use or occupancy of such property if needed for utility purposes or which would jeopardize public safety.

#### Telephone

##### Enacted

Rural Telephone Exchanges - Taxation - H.B. 364, approved April 29, 1959, Chap. 297 amends ORS 308.715 providing that as to a telephone company operating rural telephone exchanges (subscribers averaging not more than 10 per pole line mile) and electing to pay the gross earnings tax, the property comprising the rural telephone exchanges of any company having a total of less than 10,000 subscribers within and without the state shall not be assessable for ad valorem tax purposes (amendment specifically includes out-of-state subscribers).

Federal Excise Tax - Repeal - S.J. Mem. 2, adopted March 4, 1959, memorializes the Congress to repeal the Federal excise tax levied upon telephone and telegraph services.



Business Corporation Law - Amendments - S.B. 173, approved March 31, 1959, Chap. 171, amends ORS 57.145(1) to eliminate the requirement that the place of shareholders' meetings be stated in the bylaws.

- S.B. 175, approved March 31, 1959, Chap. 172, amends ORS 57.360 relating to amendments of articles if the corporation has issued stock and providing for amendment of articles by incorporators if the corporation has not commenced doing business.

- S.B. 180, approved May 25, 1959, amends ORS 57.075(2) relating to service of process upon the Corporation Commissioner when a corporation fails to appoint or maintain a registered agent in the state.

#### Failed

Business Corporation Law - Amendments - S.B. 174, tabled in committee, would have amended ORS 57.030(6) to permit corporate loans to officers and directors.

- S.B. 176, tabled in committee, would have amended ORS 57.231 by striking the provision making directors liable for loans to officers and directors or secured by corporate shares.

- S.B. 177, tabled in committee, would have repealed ORS 57.226, prohibiting corporate loans to officers or directors, or on the security of the corporation's shares.

Public Utility Commissioner - Defense of Rate Order - S.J. Res. 27, died in committee, urged the Public Utility Commissioner, to defend to the United States Supreme Court, if necessary, his Order No. 36483 shifting certain Pacific Telephone and Telegraph Company property from the intrastate to the interstate rate base and allowing a rate of return of 6.35 percent on property remaining in the Oregon rate base.





1959 Utah Legislation - Final Report  
Session: January 12 to March 12 (13), 1959  
Special Session: May 28 to May 29, 1959

Legislative Program

Electrification and Telephone

No legislative program was undertaken by REA borrowers in Utah.

Legislation Considered

Electrification

Failed

Sales Tax - Rural Electrification Cooperatives - H.B. 256, died in House, would have amended Sec. 59-15-4, Utah Code 1953, providing for a two percent sales tax, by striking the exemption of cooperative or nonprofit corporations engaged in rural electrification.

Atomic Energy - Coordination and Regulation - H.B. 118, failed in House, would have enacted with minor changes the model Coordination of Atomic Development Act as suggested by the Council of State Governments, declaring a policy of encouraging widespread participation in the development and utilization of atomic energy for peaceful purposes, exercising the state's regulatory authority, adapting its laws and regulations as required, and coordinating atomic development activities. The bill would have established the Utah Atomic Energy Council to coordinate the studies, recommendations and proposals of the various agencies and departments of the state and to serve in an advisory capacity to the Governor with respect to atomic industrial development; prohibited utilization, etc. of special nuclear material except with license from the Atomic Energy Commission; and directed coordinated effort by designated state departments.

Electrical Safety Inspector - H.B. 152, died in House, would have created the office of electrical safety inspector in the department of contractors with authority to inspect electrical installations on public property and to adopt minimum safety standards for such installations.

Electrification and Telephone

Enacted

Unclaimed Property Act - Amendments - S.B. 104, approved March 16, 1959, amends Secs. 78-44-2, 78-44-4, and 78-44-13, Utah Code 1953, relating to disposition of unclaimed property act. Sec. 78-44-4

concerning funds held by utilities was amended to reduce from seven to three years the period for which unclaimed refunds or deposits are to be held before being presumed abandoned.

Failed

Public Utilities - Law Enforcement - S.B. 17, died in Senate, would have amended Sec. 54-7-21, Utah Code 1953, relating to the enforcement of laws affecting public utilities by providing that county (in place of district) attorneys shall assist the Commission in enforcement of the law.

Corporations Code - S.B. 160, died in Senate, would have enacted a comprehensive revision of the state corporations code.

Corporations - Taxation - H.B. 129, died in House, would have amended Secs. 59-13-4 and 59-13-18, Utah Code 1953, relating to exemptions from corporation income taxes. (The exemption to electric and telephone cooperatives would not have been affected.)



1959 Washington Legislation - Final Report  
Session: January 12 to March 12, 1959  
First Special Session: March 13 to March 27, 1959

Legislative Program

No legislative program was reported to have been undertaken by REA cooperative borrowers in Washington. The Washington Public Utility Districts' Association sponsored several bills as reported below.

Legislation Considered

Electrification

Enacted

Public Utility Districts - Special Assessments - S.B. 8, approved March 17, 1959, Chap. 142, amends the public utility district laws to authorize the district commissioners to segregate special assessments levied against land which is sold in part or subdivided. (S.B. 8 was sponsored by the PUD Association.)

- Classification; Number and Election of Commissioners - Sub. H.B. 48, approved March 22, 1959, Chap. 218, amends the public utility district laws relative to classification of districts; provides for a five-member commission in first class districts and for their election by districts. (Sub. H.B. 48 was opposed by the PUD Association; however, it was amended before passage so as to be very restricted in its application.)

- Financing - S.B. 219, approved and effective March 20, 1959, Chap. 218, amends the financing provisions of the public utility district laws and adds provisions dealing with short term revenue obligations. (S.B. 219 was sponsored by the PUD Association.)

- Taxation - H.B. 286, approved March 23, 1959, and to take effect in part on January 1, 1960, Chap. 274, amends the tax provisions of the public utility district laws so as to change the rate of privilege tax imposed on energy generated by a PUD and distributed to its consumers or for resale from a straight five percent to five percent of the first four mills per kilowatt hour and provides for distribution of the counties' shares of the tax depending on the location of generating facilities commencing January 1, 1960. (H.B. 275, a similar bill, was superseded by H.B. 286 which was supported by the PUD Association. The House considered resolutions (H.C.R. 10 and 12, both indefinitely postponed) directing the Legislative Council to study and compare state and local taxes paid by the commercial companies, PUD's and municipalities.)

- Employee Retirement Plan - S.B. 150, approved March 23, 1959, Chap. 233, amends RCW 54.04.050 by adding provisions authorizing a public utility district whose employees or officials are not members of the state retirement system to contract for individual annuity contracts, retirement income policies, or group annuity contracts to provide a retirement plan, and to pay all or part of the premiums from operations revenues.

Electricians and Electrical Installations - H.B. 254, approved March 24, 1959, Chap. 325, amends RCW 19.28.120 by increasing the license fee for electricians from fifty to seventy-five dollars; also amends RCW 19.28.210 by prohibiting the connection of electrical installations unless there is affixed to each new or altered service entrance a safe wiring label issued for a fee of two dollars by the Director of Labor and Industries and bearing an affidavit of compliance or certificate of inspection.

Failed

Prohibition of Duplication of Service - S.B. 365, killed in Senate, would have prohibited any public utility, commercial, cooperative, or public from extending electric service to any location served by another utility or within 1,000 feet of existing facilities of another utility; provided that an aggrieved consumer could obtain release from his present supplier through court proceedings on a finding of inadequate service or unreasonable rates; and entrusted enforcement of the act to the courts. (S.B. 365 is reported to have been sponsored by commercial utilities; it was strongly resisted by the Washington PUD Association as anti-competition legislation and because of its indefiniteness of meaning and application.)

Public Utility Districts - Financing - H.B. 471, passed House, died in Senate Committee, would have amended the statutory procedure for issuance of general obligation bonds by public utility districts. (H.B. 471 was sponsored by the PUD Association.)

- Omnibus Bill - S.B. 181, died in committee, would have amended the public utility district law in several respects including: a prohibition against the construction by cities or towns of electric distribution facilities outside their boundaries but within a public utility district without the consent of the district; revision of purchasing procedure; authority to supply electric energy or water for the production thereof outside the state; and authority to construct transmission facilities and deliver energy to load centers outside the district. (S.B. 181 was sponsored by the PUD Association and failed after getting involved in the anti-duplication bill issue.)

- Labor Contracts - S.B. 317 and H.B. 453, both died in committee, would have amended RCW 54.16.200 by prohibiting districts to negotiate or enter jointly into labor



contracts. (S.B. 317 was opposed by the PUD Association.)

- Taxation - S.B. 389, died in committee, would have tripled the rates of the privileges taxes levied against gross revenues of public utility districts. (S.B. 389 was opposed by the PUD Association.)

- Definitions - H.B. 28, died in committee, would have amended Chap. 54.04 RCW, the public utility district law, by adding definitions limiting the applicability of the law to districts organized thereunder.

State Power Commission - Irrigation Districts - H.B. 561, died in committee, would have amended RCW 43.53.250, (Laws 1953, Ch. 281) creating the Washington State Power Commission, to include irrigation districts within the definitions of "district" and "public utility" so as to authorize their participation jointly with public utility districts and cities in the formation of operating agencies of the commission for the joint operation and construction of generation and transmission facilities. (H.B. 561 was sponsored by the PUD Association.)

Municipal Utilities - Taxation - H.B. 636, died in committee, would have levied on municipalities operating electric facilities a gross revenues tax comparable to the tax levied against public utility districts with provisions for distribution to the state and counties; empowered cities or towns in which municipalities operate power facilities to levy a tax on the gross revenues derived from the sale of electricity within the city or town; required municipal utilities which acquire operating property within a school district which has outstanding bonded indebtedness to pay a tax prorated according to the respective assessed value of the acquired property, in addition to the gross revenues levy; and provided that the total amount of privilege taxes paid by a municipal utility which acquires property from a public service company shall not be less than the combined total of ad valorem property taxes last levied against the acquired property plus the taxes paid by the municipal utility on revenues of other operating property.

- Extensions; Revenue Bonds - S.B. 314 and H.B. 378, both died in committee, would have authorized cities and towns of the third class to improve and extend electrical and other utility facilities; and to dispose of light, power, heat, or water to associations, firms, or corporations as well as to persons within or without the city; and to issue utility revenue bonds in addition to general bonds for additions as well as the acquisition or construction of utility properties.

- H.B. 379 and S.B. 315, both died in committee, would have authorized cities and towns operating gas and electric facilities to furnish service



to people outside the cities or towns; fixed the terms and manner of sale of funding and refunding bonds; set forth the covenants includable in ordinances authorizing the issuance of revenue bonds and warrants; and authorized contracting with others for the lease, use, maintenance and operation of utility facilities and for the sale, purchase, and transportation of utility service within or without their limits.

- Rates and Charges; Excess Funds - S.B. 16, First Special Session, passed Senate, indefinitely postponed in House, would have given cities and towns authority to fix rates and charges for municipal utility services and to place excess operating funds in the current expense fund for use for whatever purposes the governing authorities deem proper.

Public Utilities - Long Term Service Contracts - S.B. 62, died in committee, would have authorized regulated electrical and other utility companies to execute long term service contracts at fixed rates for periods of not less than five nor more than twenty-five years and required that such contracts be taken into consideration in fixing rates. Similar provisions would have been made for long term service contracts at fixed rates for periods not exceeding twenty-five years for publicly owned utilities.

Atomic Energy - Indemnity Agreements and Liability Insurance - H.B. 472, passed House, died in Senate committee, would have added a provision to the 1957 atomic energy coordination act (Chap. 92, Laws of 1957) authorizing state agencies which hold licenses from the Atomic Energy Commission to enter into indemnity agreements with the Commission and to purchase nuclear energy liability insurance for activities under the license.

Radiation Protection Act - H.B. 289, died in committee, would have enacted a Radiation Protection Act, including several of the provisions of the Radiation Act suggested by the National Committee on Radiation Protection, providing for the regulation of radiation devices, protection therefrom, and prescribing penalties for violation; giving the Department of Health authority to adopt rules and regulations including regulation of sources of radiation, to make studies and investigations, and terminate violations; and establishes an advisory group.

Cowlitz Power Project - Investigation - H.B. 273, died in committee, would have created a joint legislative committee to investigate the expenditures and activities of the Department of Public Utilities of the City of Tacoma in connection with the development and construction of the Cowlitz Power Project.

Steam Plant - Thurston County - H.B. 66, died in committee, would have appropriated \$100,000 for engineering and other studies of the feasibility of construction of a steam plant in the Tono-Bucoda-Tenina region of Thurston County, to be repaid from proceeds

of bond financing when determined that construction should be undertaken.

"Partnership" Resource Development - Hanford Reactor - H.J. Mem. 39, died in committee, would have memorialized the President and the Congress to reverse the "partnership" concept of resource development; urged comprehensive use of Columbia basin resources by home-rule and self-financing means; and requested speedy construction of the dual-purpose reactor at Hanford, incorporating power-generating facilities.

California-Pacific Northwest Power Inter-tie - H.J. Mem. 40, tabled in House, would have memorialized the President and the Congress to authorize and direct the Bonneville Power Administration to undertake revised studies of the proposed inter-tie between the Pacific Northwest and California.

Electrical Installations - Standards and Inspection - Extension to Counties - H.B. 493, died in committee, would have extended to counties the provisions of the statutes dealing with electrical installation standards and inspection in cities and towns.

- Repeal - H.B. 38, passed House, died in Senate committee, would have repealed RCW 19.29.010 through 19.29.060 prescribing electrical construction standards and providing for their enforcement.

Plumbing and Sanitation Act - S.B. 423, died in committee, would have enacted a Plumbing and Sanitation Act, creating a state plumbing council with authority to prescribe standards; and requiring plumbers to be licensed and plumbing work to be covered by permit.

## Electrification and Telephone

### Enacted

Utility Relocation - Reimbursement - H.B. 235, approved March 24, 1959, Chap. 330, amends the public highway laws to provide for reimbursement by the state for removal of utility facilities whenever the state is entitled to be proportionately reimbursed by the United States, specifically in connection with highways in the Interstate System. (H.B. 235 was supported by the PUD Association.)

Public Service Commission - Rate Determination - S.B. 310, approved March 24, 1959, Chap. 285, amends 80.04.360 to direct the commission to take official notice when any public service company in the five consecutive year period preceding a commission rate order earns net income in excess of a reasonable rate of return, to determine whether such excess has been invested in plant or otherwise for consumers' benefits, and to consider such



facts in fixing rates. (This replaces a requirement that any annual excess be placed in a reserve fund to be applied as earnings in subsequent years as required, or used to establish or replenish amortization, depreciation, or other contingent funds, or for other purposes beneficial to consumers.)

Professional Engineers - Registration - Corporate Practice - S.B. 127, law without Governor's approval, March 24, 1959, Chap. 297, amends Chap. 18.43 RCW dealing with the registration of professional engineers and land surveyors, and authorizes practice of engineering by a corporation or joint stock association until December 31, 1961.

Sales, Use, and Public Utility Taxes - H.B. 1, First Special Session, approved March 30, 1959, and effective April 1, 1959, Chap. 3, amends the sales and use tax laws by increasing the general tax rate from 3-1/3 to 4 percent from April 1, 1959, to July 1, 1961, and by extending the public utility tax of 3.6 percent on gross income of light, power, and telephone business to utilities regardless of whether they are subject to state control. (Telephone cooperatives were already specifically subjected to this tax under existing law.)

#### Failed

Nonprofit Corporations - Report of Officers - H.B. 285, died in committee, would have required various enumerated classes of corporations, including nonprofit corporations organized pursuant to Chap. 24.04 RCW, to file with the secretary of state and county auditors within thirty days after filing their articles or certificate of incorporation in the office of the county auditor where their principal place of business is located, and annually thereafter, a sworn statement listing all officers, their names, titles, and addresses and terms of office; and provided for forfeiture of articles and franchise in the event of non-compliance for three years.

Public Service Companies - Payment for Public Counsel - H.B. 312, died in committee, would have required public service companies seeking a rate increase to pay the state reasonable compensation and expenses for legal counsel and staff employed on a temporary basis by the attorney general to protect the public interest.

Contractors - Licensing - H.B. 342, passed House, died in Senate committee, would have provided for the licensing of contractors engaged in general engineering, general building or subcontracting but would have exempted electrical contractors licensed under Chap. 19.28 RCW.

Unclaimed Property Act - Amendments - H.B. 335, died in committee, would have amended Sec. 18, Chap. 385, Laws of 1955, Uniform Disposition of Unclaimed Property Act, dealing with the disposition of unclaimed funds.



- S.B. 346, died in committee, would have amended Sec. 11, Chap. 385, Laws of 1955, relative to reporting of unclaimed funds or other intangible property and added a new section prescribing procedure in connection with unclaimed tangible personal property.

Uniform Commercial Code - S.B. 45, died in committee, would have enacted the Uniform Commercial Code, affecting among other matters the recordation of chattel mortgages.

## Telephone

### Failed

Telephone Rates and Tolls - Investigation - H.J. Res. 29, died in committee, would have authorized an immediate investigation of telephone rates, tolls, and charges and the practices and procedures of the state public service commission.

Public Service Commission - Regulation of Private Wire Service - S.B. 445, died in committee, would have directed the commission to establish an enforcement staff to cope with the illegal dissemination of gambling information; to make periodic inspection and regulate communication facilities for such purpose.

Public Utilities - Reporting Illegal Use of Communication Facilities - S.B. 446, died in committee, would have required communication utilities to report the use of their facilities for illegal gambling purposes to the Public Service Commission and the sheriff of the affected county.

Public Utilities - Private Wire Service - S.B. 450, died in committee, would have made it unlawful for a public utility to furnish private wire service except by written contract stating the intended use; specified exemptions; and imposed other requirements designed to prevent use of communication facilities for law violation.

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1959 Arkansas Legislation - Final Report  
Session: January 12 to March 12, 1959

Legislative Program

Electrification and Telephone

No legislative program was undertaken by REA borrowers in Arkansas.

Legislation Considered

Electrification

Enacted

Radiation Protection Act - H.B. 413, approved March 30, 1959, Act 454, enacts a Radiation Protection Act, substantially conforming to the model Radiation Hygiene Act suggested by the National Committee on Radiation Protection; authorizes the Board of Health to inspect and regulate sources of radiation to prevent unnecessary radiation; and requires the shielding of sources of radiation.

Failed

Municipal Electric Utilities - H.B. 529, died in House, would have authorized the establishment of an electric commission to operate municipal electric utilities; conferred the power of eminent domain; authorized construction of facilities within or outside city limits; and dealt generally with the operation and financing of municipal utilities.

Electrification and Telephone

Enacted

Public Utilities - Assessments - H.B. 541, approved March 25, 1959, effective July 1, 1959, Act 245, abolishes the Assessment Co-ordination Department and transfers its functions to the Public Service Commission to be administered through a Department of Assessment Co-ordination responsible for the assessment and equalization of public utility property.

H. Con. Res. 35, approved March 16, 1959, directs the Public Service Commission to make a comparative study of utility assessments and prepare a more uniform plan or formula and submit final report to the 1961 General Assembly.

Failed

Public Utilities - Assessments - H.B. 483, died in House Committee, would have amended Sec. 84-406, Ark. Stats., to require the Assessment Co-ordination Department in determining value to give equal consideration to certain specified factors and application of the same "yardstick" to all utilities.





1959 Louisiana Legislation - Final Report  
Session: May 11 to June 9, 1959

(The regular session of the Louisiana legislature convening in odd numbered years is limited in length to 30 days and restricted in subject matter to consideration of budgetary and fiscal matters.)

Legislative Program

Electrification and Telephone

No legislative program was undertaken by REA borrowers in Louisiana.

Legislation Considered

Electrification and Telephone

Enacted

Public Service Commissioners - Salaries - S.B. 4, approved June 10, 1959, Act 117, amends Sec. 1162, Title 45, La. Rev. Stat., by increasing the salaries of members of the Louisiana Public Service Commission from \$8,500 to \$10,500 per annum.



1959 Missouri Legislation - Final Report  
Session: January 7 to May 31, 1959

Legislative Program

Electrification and Telephone

No legislative program was reported to have been undertaken by REA borrowers in Missouri.

Legislation Considered

Electrification

Enacted

Atomic Energy Commission - S.B. 6, approved June 12, 1959, established an atomic energy commission composed of members of the Senate and the House and public members to study and advise the Governor and the General Assembly on the progress and status of nuclear energy, to advise as to the need for legislation, and to report to the General Assembly its activities and legislative recommendations.

Electric Power Contract - State Hospital No. 1 - Investigation - H. Res. 52, adopted February 2, 1959, provided for the appointment by the Speaker of a seven member committee of the House to investigate the negotiation of the contract awarded on September 12, 1958, by the Department of Public Health and Welfare to supply electric power to State Hospital No. 1, at Fulton, Missouri. (This hospital has been receiving electric service from its own plant, the Fulton Municipal Power Plant and Calleway Electric Cooperative.) Subsequent to the adoption of this resolution and the appointment of the committee, the contract was cancelled.

Failed

Radiation Protection Act - S.B. 135, died in committee, would have enacted the Radiation Protection Act substantially as suggested by the National Committee on Radiation Protection, empowering the Division of Health to regulate radiation sources, abate violations, and conduct investigations in this field.

Water Resources - Conservation - S.B. 45, passed Senate, killed in House, would have created a State Water Resources Board in the Department of Business and Administration, with jurisdiction over the public waters in the state, to establish a comprehensive, state-wide program for the conservation, development and use of water resources; to make surveys and investigations; and to issue permits for the beneficial use of water as prescribed in the bill.



Plumbing Regulation - H.B. 402, died in Committee, would have authorized the Division of Health to regulate plumbing installations and establish qualifications for plumbing inspectors employed by localities.

Rural Electric Cooperatives - Investigate Management - H. Con. Res. 11, died in House, would have provided for the establishment of a joint legislative committee to investigate the management of rural electric cooperatives.

### Electrification and Telephone

#### Enacted

General and Business Corporation Act - Amendment - Directors - H.B. 88, approved June 8, 1959, adds Sec. 351.323 providing that where a corporation with an even number of directors cannot agree as to the conduct of its business, the circuit court may appoint a provisional director in an action brought by one-half of the directors or by holders of not less than one-third of the outstanding shares.

Public Utility Laws and Rates - Investigation - H. Con. Res. 3, adopted March 11, 1959, establishes an interim joint legislative committee to study the laws governing the Public Service Commission and commission methods in service and rate matters and to recommend legislation found appropriate and justified.

#### Failed

Abandoned Property Act - H.B. 507, died in Committee, would have enacted the uniform Abandoned Property Act providing for escheat to the State of abandoned utility deposits and unclaimed cooperative interests.

Municipal Annexation - S.B. 54, died in Senate, would have amended Sec. 71.015 RSMo 1957 Supp. by extending to towns and villages the annexation procedures provided for cities.

Public Utilities - Rates - S.B. 29, died in committee, would have required the Public Service Commission to use original cost less depreciation, plus reasonable allowance for materials and supplies and necessary working capital as the rate basis in determining rates and charges by electric, gas, water, telephone, and other public utilities (except municipal utilities).

- Labor Disputes - H.B. 41, died in House, would have repealed those portions of Ch. 295, RSMo 1949, relating to mediation of labor disputes in public utilities.

- H.B. 278, died in Committee,

would have amended Chap. 295, RSMo 1949, dealing with disputes in public utilities, by providing that in the event of seizure of a utility by the state, all profits earned during the period of seizure shall accrue to the state public school fund, and that no employee of a seized utility shall lose seniority rights, insurance benefits or retirement credits as a result of seizure unless he refuses to work during seizure.

- H.B. 530, died in committee, would have amended Chap. 295, RSMo 1949, by prescribing employment and operations procedures to be followed by the Governor in the event of seizure, and imposing penalties for calling lockouts which bring about a work stoppage in public utilities.

- H.B. 563, killed in House, would have amended Chap. 295, RSMo 1949, by authorizing the Governor to direct the calling of a board of inquiry if a strike or lockout in a public utility is threatened and prescribing procedures in connection therewith.

- Tax Assessments - H.J. Res. 12, died in committee, would have required submission to the electorate of an amendment to Sec. 14, Art. X, Mo. Const., providing for the election of the tax equalization commission which would be given exclusive power to assess public utility corporations and which would no longer have the function of equalizing assessment of property between counties.





1959 Oklahoma Legislation - Final Report  
Session: January 6 to July 3, 1959

Legislative Program

Electrification

The Oklahoma Association of Electric Cooperatives (statewide) considered sponsoring legislation empowering electric cooperatives to continue service in rural areas annexed to municipalities and to sell cooperative facilities to municipal utilities or exchange same for facilities in rural areas owned by municipal utilities. No legislation on this subject was reported to have been introduced.

Telephone

REA telephone borrowers sponsored legislation amending the laws relative to certificated territory by broadening the Corporation Commission's power to vacate same and authorizing the Commission to order service extensions; and amending the definition of "rural area" in the 1953 Rural Telephone Cooperative Act so as to include other areas which do not have reasonably adequate service as determined by the Commission, and any area certificated to a cooperative.

Legislation Considered

Electrification

Enacted

Radiation Protection - Atomic Energy - H.B. 583, approved and effective July 16, 1959, designates the State Department of Health as the regulatory agency for activities pertaining to health and safety in the use of atomic energy and radiation sources; directs the department to establish a Radiation Advisory Committee to make continuing studies; and imposes penalties for violations of departmental rules, regulations and orders.

Grand River Dam Authority - Legislative Study - H. Res. 582, adopted, directs the Executive Committee of the Legislative Council to appoint a legislative committee to make a study of the Authority, the rates charged, and its contracts and policies, and to report thereon at the opening of the 1961 session.

Markham Ferry Dam and Reservoir - Federal Construction - S. Res. 51, adopted June 15, 1959, and H. Res. 561, adopted, recite the inability of the Grand River Dam Authority to finance construction of the Markham Ferry Dam and Reservoir Project in the near future, and petition the Congress to enact legislation for Federal construction,

with the power and energy to be sold to the Authority at rates fixed by the Federal Power Commission with allowance to the Authority of credit for power benefits from the Authority's head-water improvements and storage in the Pensacola project. (S. Con. Res. 20, adopted by the Senate on May 28, 1959, was an identical resolution, superseded by S. Res. 51 and H. Res. 561.)

Kaw Dam and Reservoir - Federal Construction - H. Con. Res. 531, adopted by the House on April 15, 1959, and by the Senate on April 20, 1959, requests the Congress to initiate construction of the Kaw Dam and Reservoir, Arkansas River, for flood control, power and other purposes.

Failed

Electrical Installations - Licensing Electrical Contractors - H. B. 645, died in House, would have required the registration of electrical contractors by a State Board of Registration for electrical contractors, prohibited electrical installations valued in excess of \$100 except by registered contractors, and exempted regulated utilities and rural electric cooperatives.

- Licensing and Inspection - Plumbing Inspection - Certain Counties - H.B. 812, passed House, killed in Senate, would have authorized in any county, including a city having population of between 180,000 and 240,000 inhabitants, the establishment of a Joint City-County Electrical Examining and Appeal Board with authority to license electrical contractors, elevator construction, armature shops, electrical sign contractors, and to establish codes and standards; prohibited engaging in these businesses without license; created the office of Electrical Inspector in the county, to be appointed by the County Commissioners, with authority to inspect all electrical installations; and authorized the County Commissioners to appoint a Plumbing Inspector for the county to enforce rules and regulations adopted by the Commissioners. (H.B. 812 would have repealed 19 O.S. Supp. 1957 Secs. 836.30 through 836.42 dealing with substantially these same matters.)

- Permits - S.B. 336, killed in Senate, would have amended 19 O.S. Supp. 1957 Sec. 863.39 dealing with standards for electrical installations, by authorizing persons who hire a Class A Journeyman Electrician to obtain permits from the Electrical Inspector to install or alter electrical wiring, apparatus or fixtures and to have prompt inspection thereof.

Electrification and Telephone

Enacted

City-County Planning and Zoning - Metropolitan Areas - H.B. 528,



approved and effective May 8, 1959, would have amended 19 O.S. Sec. 863.2 to change the criteria of application of the law and exemptions therefrom.

Port Authorities - Taking of Utility Facilities - S.B. 39, approved and effective July 15, 1959, authorizes the creation of port authorities by cities and counties or combinations thereof with the right of eminent domain except as to public utility facilities necessary and convenient in the operation of the public utility unless provision is made for restoration, relocation, or duplication thereof or unless the utility elects to take compensation therefor.

Uniform Commercial Code - Legislative Study - H. Con. Res. 544, adopted May 27, 1959, directs the Executive Committee of the Legislative Council to appoint a Special Committee on Commercial Law to review Oklahoma laws relating to commercial transactions, examine the impact which adoption of the Uniform Commercial Code would have thereon, and to prepare a recommended commercial code for submission to the Executive Committee and to the 1961 legislature.

#### Failed

Uniform Disposition of Unclaimed Property Act - S.B. 244, died in Senate, and H.B. 841, died in House, would have enacted the Uniform Disposition of Unclaimed Property Act providing for escheat to the state of unclaimed utility deposits and refunds and cooperative dividends and distributions.

Utility Relocation - Reimbursement - H.B. 611, passed House, died in Senate, would have enacted a new highway code with provisions for reimbursement to utilities for the relocation of facilities necessitated by construction of the interstate highway system if and when federal-aid funds are available for such purpose.

County Planning and Zoning - Control of Utilities - S.B. 143 passed Senate, died in House, would have authorized each county containing a lake or portion of a lake within its boundaries to provide area planning and zoning and public services for unincorporated territory abutting the lake; authorized the planning and zoning commission to adopt a comprehensive plan including location of public utilities; empowered the board of county commissioners to create a utility council to govern any public utility in a planning area the control and management of which is not prescribed by any other statute; authorized the board on petition of 75 percent of the residents in a planning area to create an express trust to provide electricity and other public services within the areas; and excluded from the application of the act the facilities of electric cooperatives or regulated public utilities.

- S.B. 64, died in Senate, would have established a county planning commission in



each county meeting the prescribed criteria (would have applied only to Canadian County); excluded from zoning control the facilities of regulated public service corporations; and repealed the 1957 statute 19 O.S. Chap. 19Aa providing for metropolitan area zoning.

Municipalities - Powers - S.B. 70, died in Senate, would have empowered all cities and towns to provide any and all public utilities and services.

## Telephone

### Enacted

Certificated Areas - Vacation - Cooperative Service - Amendment of Rural Telephone Cooperative Act - S.B. 193, approved and effective June 22, 1959, amends 17 O.S. Sec. 131 (c) to broaden the Corporation Commission's authority to vacate and declare territory open when the certificate holder therein fails or refuses to provide adequate service; authorizes the Commission, upon petition of citizens residing in open territory, to require holders of certificates in adjacent territories, including cooperatives, to extend service into the open territory provided that such service will not prevent the earning of a fair return on the fair value of its property; and amends the definition of "rural area" in section 3(d) of the Rural Telephone Cooperative Act (18 O.S. Supp. 1957 Sec. 438.3 (d)) so as to include other areas which do not have reasonably adequate telephone service as determined by the Commission and any other area in which the cooperative held a certificate when S.B. 193 was enacted.

Telephone Excise Tax - Repeal - H. Res. 564, adopted June 11, 1959, petitions the Congress to repeal the existing Federal excise tax on telephone and telegraph service.







1959 Arizona Legislation - Final Report  
Session: January 12 to March 21, 1959

Legislative Program

Electrification

Grand Canyon State Electric Cooperative (statewide) again collaborated with the Arizona Municipal Power Users Association in sponsoring legislation to amend the Arizona Power Authority Act to give electric cooperatives and municipal power systems equal preference with electrical and irrigation districts in the purchase of electric power (see S.B. 96).

Telephone

No legislative program was reported by telephone borrowers.

Legislation Considered

Electrification

Failed

Arizona Power Authority - Preference for Power Allocation - S.B. 96, died in Senate, would have amended Sec. 30-125, Ariz. Rev. Stats. relating to preferences in allocation of power when power supplies are insufficient so as to give municipalities and electric cooperatives equal preference with electrical and irrigation districts for the purchase of electric power. Under existing law, their preference when power supplies are insufficient is limited to the difference between existing power purchase contracts and 17,500,000 kwh per year. (This bill was introduced at the request of the Grand Canyon State Electric Cooperative and the Arizona Municipal Power Users Association. It was reported to have had the support of the electric power districts. An identical bill passed the House in 1958 but died in Senate committee.)

Arizona Power Authority - Reversion of Unexpended Funds - S.B. 69, died in Senate, would have amended Secs. 30-201 et seq., Ariz. Rev. Stats., relating to the Arizona Power Authority, by providing that remaining balances in the administrative budget and all surplus funds, but not appropriated funds, revert at the close of each fiscal year to the State School Fund. (This bill was opposed by the electric cooperatives on the ground that it would limit expansion of facilities and curtail administrative improvements.)

State Water Project Authority - H.B. 92, died in House, would have amended Title 45, Ariz. Rev. Stats., by adding Chapter 3.1, to create the State Water Project Authority and authorize it to construct and operate the Glen-Bridge-Verde-Highline project on the Colorado River for irrigation, power generation, and other beneficial uses. The authority would have been given the power to issue revenue bonds for such construction; to organize irrigation and power districts; to acquire property through eminent domain proceedings; and to give preference to State agencies and non-profit organizations in sale of electric power. (An identical bill, H.B. 54, failed to pass in the 1958 session.)

Atomic Energy - S.B. 56, died in Senate, would have amended Title 30, Ariz. Rev. Stats., by adding Chapter 4, providing for the development and regulation of activities pertaining to the peaceful uses of atomic energy and the appointment of a coordinator of atomic development activities. (An identical bill, S.B. 18, failed to pass in the 1958 session. Both bills follow the draft of atomic development coordination act suggested by the Council of State Governments.)

Radiation Protection - H.B. 272, died in House, would have empowered the State Board of Health to regulate sources of radiation.

Power and Electrical Districts - Taxation - H.C.R. 20, died in House, proposed amendment of the Arizona Constitution to remove the property of power and electrical districts and that portion of the property of any agricultural improvement, irrigation, or other tax levying public improvement district, used in whole or in part for the production or sale of electric energy from tax exempt status.

Colorado River - Glen Canyon Dam - Arizona Rights - H. Res. 8, died in House, would have informed the Attorney General of Arizona to sue Colorado, New Mexico, Utah, and Wyoming, and the Secretary of Interior to claim for Arizona all power, power revenues, and water of Glen Canyon Dam.

Colorado River Compact - Abrogation - H. Res. 1, died in House, declared the compact to be against the best interests of Arizona and called for its abrogation.

- H.B. 89, died in House, would have repealed the compact.

Upper Colorado River Basin Compact - Abrogation - H.B. 90, died in House, would have repealed the compact.

Colorado River - Bridge Canyon Dam - H. Mem. 2, died in House, would have memorialized the Federal Power Commission to reject the 1957 application of the City of Los Angeles for permit to construct a power dam at Bridge Canyon, and to license the Arizona Power Authority to construct Bridge Canyon and Marble Gorge Dams.



- H. Mem. 3, died in House, would have memorialized the Congress of the United States that the plan of of the Upper Colorado River Commission to intervene in the application of the Arizona Power Authority to the Federal Power Commission for license to construct power dams at Bridge Canyon and Marble Gorge be denied.

Colorado River - Water Supply for Central Arizona - H.B. 91, died in House, would have directed the State Land Commissioner to investigate tunnel sites for the diversion of Colorado River water to central Arizona.

## Electrification and Telephone

### Enacted

Disposition of Unclaimed Property Act - Amendments - S.B. 119, approved March 13, 1959, Ch. 23, and S.B. 138, approved March 13, 1959, Ch. 24, amend administrative provisions of the uniform act, Tit. 44, Ch. 3.1, Art. 1, Ariz. Rev. Stats.

### Failed

Utility Relocation - Reimbursement - S.B. 168, died in Senate, would have added Sec. 18-106.1, Ariz. Rev. Stats., relating to state highways, by providing for reimbursement for the cost of relocation of utility facilities necessitated by construction of a national system of interstate and defense highways. (S.B. 52 of the 1957 session on this subject passed the Senate but failed in the House.)

Public Utilities - Reparation of Overcharges - S.B. 145, died in Senate, would have amended Sec. 40-248, Ariz. Rev. Stats., relating to proceedings for reparation of overcharges by public utilities.

- Assessments - H.B. 173, died in House, would have amended Sec. 40-401, Ariz. Rev. Stats. to provide that the annual assessments against public service corporations (electrical, gas, telephone, and water) by the corporation commission be credited to the utilities division of the commission.

- Fee for Application for Certificate of Convenience and Necessity - H.B. 283, died in House, would have amended Sec. 40-282, Ariz. Rev. Stats., to impose an application fee of \$100 for certificate of convenience and necessity.

- Franchises - H.B. 101, died in House, would have amended Sec. 40-283, Ariz. Rev. Stats., by prohibiting the county board of supervisors to grant a franchise for the use of highways if more than 50% of the qualified electors within the service area petition the board to deny the franchise. (Sec. 40-283 requires that more than 50% of the qualified electors of the entire county so petition.)



- Lines on State Lands - H.B. 284, died in House, would have added Sec. 40-286, Ariz. Rev. Stats., prohibiting grants of rights of way for utility or service lines without first executing a lease with the state or the authorized state agency.

Corporation Commission - Court Review - S.B. 181, died in Senate, and H.B. 200, died in House, would have amended Sec. 40-254, Ariz., Rev. Stats., prescribing procedures for court review of commission decisions.

Taxation - Exemption of Cooperatives - S. Con. Res. 13, died in Senate, would have amended Art. 9, Sec. 2, Ariz. Const., to specify that any cooperative organization or association shall not be exempt from taxation.

- S.B. 289, passed Senate, died in House, would have amended Sec. 42-271, Ariz. Rev. Stats., relating to property subject to taxation, to deny tax exemption to any cooperative or religious group operating in competition with private business.

- Transaction Privilege Tax on Utility Service - H.B. 289, died in House, would have amended Sec. 42-1310, Ariz. Rev. Stats., imposing a one percent gross receipts tax on electric and telephone service, by making it applicable to municipalities, power districts, and any other businesses providing utility service including transmission of messages by cables.

Corporations - Nonprofit - Number of Directors - S.B. 143, passed Senate, died in House, would have amended Sec. 10-451, Ariz. Rev. Stats., to remove the limitation on the number of directors (now 25) of nonprofit corporations.

- Unlawful Acts - S.B. 106, died in Senate, and H.B. 194, died in House, would have amended Sec. 10-196, Ariz. Rev. Stats., prescribing unlawful acts of corporate directors by prohibiting dividing, withdrawing, or paying any part of the capital stock in any case where there is reasonable ground for belief that such action is or would render the corporation unable to satisfy its debts and liabilities when they fall due.

Chattel Mortgages - Filing - S.B. 162, passed Senate, died in House, would have amended Secs. 33-753, 33-753.01, 33-754, and 33-757, Ariz. Rev. Stats., relating to chattel mortgages of property required to be filed in different places and of property removed from the place of filing, and to the foreclosure of chattel mortgages.

Junk Dealers - Regulation - S.B. 39, died in Senate, would have added article 3.1 to title 44, chapter 11, Ariz. Rev. Stats., providing for the regulation and registration of junk dealers. (An identical bill, S.B. 176, failed to pass in the 1958 session.)

1959 New Mexico Legislation - Final Report  
Session: January 13 to March 15, 1959

Legislative Program

Electrification

The New Mexico Rural Electric Cooperative Association sponsored legislation to amend the New Mexico Rural Electric Cooperative Act to authorize continuation of service in areas which lose their status as rural areas (see S.B. 65, below--failed): to prohibit duplication of electric service to premises already served or located nearer the facilities of another supplier (see S.B. 73, below--failed); to permit electric cooperatives to elect to become subject to the Public Utility Act and to the jurisdiction of the Public Service Commission (see S.B. 285, below--failed); to exempt electric cooperatives from excise and sales taxes (see S.B. 74, below--failed); and amending the Rural Electric Cooperative Act to delete the language permitting bylaws to provide for proxy and mail voting by members (see S.B. 80, below--failed).

Telephone

The New Mexico Rural Electric Cooperative Association considered the sponsorship of legislation exempting telephone cooperatives from the sales tax but no legislation on this subject was introduced.

Legislation Considered

Electrification

Enacted

Municipal Utilities - Service Outside Municipal Limits - H.B. 161, approved and effective March 14, 1959, Chap. 74, amends Sec. 14-39-32 NMSA and adds new Sec. 14-39-40.1 authorizing municipalities to acquire, construct and maintain electrical and gas utilities, by authorizing municipal utilities which maintain transmission lines more than five miles beyond the municipal limits in order to supply electricity to the United States or State governments or any agencies thereof, to acquire, construct and maintain utility systems served by and contiguous to such transmission lines but prohibits service within the limits of a municipality receiving service from a regulated utility or from a utility system owned or operated by the municipality or within territory served by a rural electric cooperative except with the consent of the other supplier or as otherwise provided by law; requires the establishment of just and reasonable rates and the furnishing of adequate, efficient and



reasonable service within such area subject to the disapproval of the Public Service Commission; provides for payment to the state Public Utility Fund of 1/2 of 1 percent of gross receipts received from service within such area; and directs the assessment of all property within such area and the payment of a fee to the county within which the property is located equal to the ad valorem taxes which would be payable if the property were privately owned.

- Sales of Property - H.B. 164, approved and effective March 13, 1959, Chap. 70, amends Sec. 14-47-1 NMSA relating to sale of municipal utility property by eliminating the requirement of an election to authorize the sale or disposal of facilities located more than five miles beyond the municipal limits and which is located within or within five miles of limits of another municipality when the facilities are to be acquired by such other municipality.

- Board of Public Utility Commissioners - H.B. 162, approved and effective March 13, 1959, Chap. 75, amends Sec. 14-39-36 NMSA by authorizing the establishment by ordinance of a municipal board of public utility commissioners whenever revenue bonds are issued for municipal utility purposes.

- Purpose of Revenue Expenditure - S.B. 164, approved April 1, 1959, Chap. 203, amends Sec. 14-39-26 NMSA, relative to the use of revenues of municipal utilities for which revenue bonds have been issued, by authorizing their expenditure for repair, improvement or enlargement and for the redemption of revenue bonds prior to maturity if permitted by the revenue bond resolution.

- Operation of Electric Systems Owned by Indian Tribal Enterprises - H.B. 163, approved and effective March 13, 1959, Chap. 66 extends to the electric system of any Indian Tribal Enterprise Sec. 14-39-44 NMSA, authorizing municipalities operating electric facilities to contract with electric cooperatives for the management and operation of cooperative electric facilities.

Radiation Regulation - S.B. 61, approved April 1, 1959, Chap. 185, entrusts to the State Board of Health responsibility for regulating and registering the use and disposition of radioactive materials and radiation equipment and provides for a state radiation technical advisory council.

### Failed

Rural Electric Cooperative Act - Amendment - Continuance of Service Within Municipalities - S.B. 65, died in House, would have amended Sec. 31 of the 1939 Rural Electric Cooperative Act (Sec. 45-4-31 NMSA) by redefining "rural area" so as to include cities,



towns or villages having a population of less than 5,000 at the time cooperative service therein commenced and areas served by cooperatives which are annexed to or incorporated within the limits of cities, towns or villages; and excluding cities, towns or villages which either control or own a utility plant, and requiring cooperatives to obtain or offer in good faith to obtain a franchise agreement, except in those cities, towns or villages where the cooperative is already operating.

- Exemption from Excise Sales Taxes - S.B. 74, withdrawn, would have amended Sec. 28 of the 1939 Rural Electric Cooperative Act (Sec. 45-4-28 NMSA) to provide for exemption of rural electric cooperatives from excise and sales taxes. (The existing provision provides for payment of an annual tax of \$10.00 per 100 patrons in lieu of all other taxes.)

- Abolition of Proxy and Mail Voting - S.B. 80, died in Senate, would have amended Sec. 8 of the 1939 Rural Electric Cooperative Act (Sec. 45-4-8 NMSA) by deleting the language permitting the cooperative bylaws to provide for proxy and mail voting by members.

Prohibition of Duplication of Service - S.B. 73, died in House, would have prohibited the duplication of electric service by any supplier, commercial, cooperative, or public, to any premises served, about to be served, or within the previous 90 days served by another supplier, without the written consent of the other supplier unless the district court finds the supplier serving the territory is either unable or unwilling to provide satisfactory and adequate service within a reasonable time; also extended the same prohibition and remedy with respect to service to unserved premises located nearer the service line of another supplier; prohibited the court from inquiring into rates, deposits, construction contributions, terms of contract, unless discrimination against the consumer appears; prohibited extensions by municipal or regulated suppliers into territory they are not authorized to serve; excluded from the prohibitions of the bill the construction of transmission lines across the territory of another supplier provided that only its premises in such territory might be served therefrom; established standards of construction and safety; and provided for appeals and injunctions.

Electric Cooperatives - Election To Be Regulated By The Public Service Commission - S.B. 285, died in Senate, would have amended the Public Utility Act to permit electric cooperatives to elect voluntarily to become subject thereto and to be regulated by the Public Service Commission except as to issuance of membership certificates and obligations to the Rural Electrification Administration; made cooperative members eligible for membership on the commission; provided standards of construction and safety; authorized voluntary agreements on service area boundaries between

utilities and prohibited service or extensions by any competing utility within territories covered by agreements; provided for certification by the commission of service territory boundaries upon petition by a utility after notice and hearing; amended the provisions dealing with certificates of convenience and necessity; provided that extension of municipal limits shall not deprive a utility of its right to serve in its certified service territory or if it is actually rendering service in the annexed area; and providing for court enforcement of territorial rights. The Senate Judiciary Committee reported a substitute bill amending Sec. 68-7-1 by recognizing rural electric cooperatives as entitled to protection thereunder (prohibits new construction by regulated utilities into areas contiguous to certificated areas which are already served by another utility, and interference with the service or system of another utility).

Cooperative Sponsored Legislation - Study - S.J. Res. Sub. for S.B. 65 and 73 (see above), failed, would have directed the Legislative Council to study the advisability of redefining areas which may be served by rural electric cooperatives, of granting preferential service rights to various electric energy suppliers, of continuing the present exemption of rural electric cooperatives from the jurisdiction of the Public Service Commission, and of the tax exemptions granted electric cooperatives, taking into consideration the interests of consumers, rural electric cooperatives, municipal and commercial utilities, and the general welfare of the state, and to report to the 1961 session of the legislature.

Underground Waters - Conservancy Districts - S.B. 330, died in Senate, would have provided for the organization of underground water basin conservancy districts to conserve underground waters.

Municipal Utilities - Purpose of Revenue Expenditures - S.B. 97, died in Senate, would have amended Sec. 14-39-26 NMSA, to include revenues from joint public utilities and authorize the expenditure of revenues for the payment of principal as well as interest of outstanding revenue bonds and the establishment of reserves therefore, and for repair, improvement, extension, betterment and enlargement of the utility, and to reduce from 125 to 100 percent of interest and principal the amount to be placed in the interest and principal bond fund. (See S.B. 164, amending the same section, above--enacted.)

Municipal Annexation - Utility Service - H.B. 335, failed, would have required that before annexation of additional territory by a city, town or village becomes effective, it must be approved by the district court for the county after a showing by the municipality that it can within two years after annexation furnish the same utilities and services it furnished within its existing boundaries without the levy of special assessments.



Electrification and TelephoneEnacted

Utility Relocation - Reimbursement - H.B. 246, approved and effective April 2, 1959, Chap. 310, repealing the 1957 law (Chap. 237) on this subject, authorizes the State Highway Commission to order relocation of utility facilities, public, private and cooperative, to undertake the work itself or reimburse the utility for the cost thereof except and to the extent the utility is obligated by contract with the state or by the statute under which the utility line was installed to make such relocation without cost to the state, and where local or county authorization, if required by law, had not been granted, and where the utility failed without just cause to make the relocation in a reasonable time and manner as prescribed by the Commission; limits reimbursement for relocation on the Federal Interstate System to the amount reimbursable from Federal funds with provision for repayment to the State of any excess paid to the utility; and is made applicable to relocation of municipal utilities on Interstate System highways if the municipality so elects.

Municipal Utility Relocation - Reimbursement - H.B. 4, approved April 2, 1959, Chap. 289, requires the state highway commission to pay the entire cost of relocating any municipal utility facility occasioned by construction of a highway on the Federal Interstate System or primary system.

Uniform Disposition of Unclaimed Property Act - H.B. 35, approved March 30, 1959, Chap. 132, enacts the uniform act which contains provisions for escheat to the state of unclaimed deposits and refunds held by utilities and dividends and distributions of cooperative associations.

Uniform Commercial Code - Study - S. Mem. 4, adopted March 11, 1959, directs the legislative council to make a study of the Uniform Commercial Code, affecting certain commercial transactions including the form and recordation of chattel mortgages, and to report with recommendations to the 1961 session of the legislature.

Failed

Public Service Commission - Salaries - Fees - S.B. 284, died in Senate, would have increased the salaries of the commissioners from \$8,400 to \$10,000 annually, made adjustments in other salaries; and reduced from 1/2 to 1/4 of one percent of gross receipts the fee paid by regulated utilities to the state for commission inspection and supervision, and made them available solely for commission salaries and expenses.



Public Utility Labor Disputes - H.B. 299, died in House, would have enacted the Public Utility Seizure Act, constituting the state corporation commission as a state board of mediation, establishing certain requirements for labor agreements; authorizing the Governor to take over utility plants in the event of lockout, strike or work stoppage; and prohibits strikes and lockouts after such taking over and prescribes penalties.

Telephone

Enacted

Corporation Law - Amendments - Reports - S.B. 187, approved April 1, 1959, Chap. 208, amends Sec. 9 of the 1957 Non-Profit Corporation Law (Sec. 51-14-28 NMSA), by prescribing forfeiture of corporate existence for failure to file the required report of the organization meeting.

S.B. 188, approved April 1, 1959, Chap. 209, amends the general corporation law by requiring that the synopsis of corporate information required to be published show the names of the officers instead of the names of incorporators.

Failed

Telephone Service - Restrictions on Party Line - H.B. 377, died in House, would have made it a misdemeanor for a telephone system to have more than a four-party line in urban areas and a five-party line in rural areas.

1959 Texas Legislation - Final Report

Session: January 13, 1959 to May 12, 1959

First Special Session: May 18, 1959 to June 16, 1959

Second Special Session: June 17, 1959 to July 16, 1959

Third Special Session: July 17, 1959 to August 6, 1959

Legislative Program

Electrification

Texas Electric Cooperatives sponsored legislation (see H.B. 3, below--failed) to amend the 1937 Electric Cooperative Corporation Act so as to eliminate the restrictive provisions of the 1957 amendments dealing with service in non-rural areas.

Telephone

No legislative program was sponsored by REA telephone borrowers in Texas.

Legislation Considered

Electrification

Enacted

Motor Vehicles - Exemption of Electric Pole Carriers - H.B. 856, approved May 12, 1959, and effective January 1, 1960, Chap. 212, exempts from statutes regulating length of motor vehicles and their loads, vehicles used exclusively to transport electric line poles which together with their load do not exceed 75 feet and imposes certain requirements in connection with the operation thereof.

Failed

Electric Cooperative Corporation Act - Amendment - Service in Non-Rural Areas - H.B. 3, died in committee, would have amended Sections 3 and 12 of the 1937 Electric Cooperative Corporation Act (Art. 1528b, Vernon's Ann. Civ. Stats.), as amended by Chap. 86, Acts 1957, by eliminating the restrictions imposed by the 1957 amendments on electric service within cities and towns and areas annexed thereto. When the legislature adjourned the House State Affairs Committee withdrew its request to the Attorney General for an opinion as to whether H.B. 3 would contravene the provisions of the federal Rural Electrification Act.

Water Permits - Term - H.B. 27, vetoed by the Governor on June 1, 1959, would have added a new article to Article 7515, Vernon's Ann. Civ. Stats., authorizing the Board of Water Engineers to prescribe a term not exceeding 20 years for water permits for between 200 and 800 acre feet.



Radiation Control - S.B. 77, failed in Senate, would have made it unlawful to possess, produce, etc., any radioactive material or equipment without registering same with the State Department of Health and authorized the department to make and enforce rules and regulations.

Southern Interstate Nuclear Compact - H.B. 74, First Special Session, failed, would have authorized the entrance by Texas into the Southern Interstate Nuclear Compact which provides for: cooperation in the employment of nuclear energy, facilities, materials, and products to assist in the industrialization of the South; creation of a Board with members representing each party State to be financed by the party States and to conduct the enumerated functions and activities, including recommendation of legislation, collection, and dissemination of information, cooperation with the Atomic Energy Commission, and research activities as Federal licensees; and entry and withdrawal of the 16 eligible States which are named. The bill would also have authorized the Governor of Texas to appoint an Atomic Energy Advisory Committee.

Appliance Sales - Prohibitions - S.B. 285, failed in Senate, would have prohibited any supplier of gas or electric service from selling or offering appliances, fixtures, or installations in any city or town in which they hold a franchise.

Electrical Licensing Law - S.B. 382, failed in Senate, would have enacted an Electrical Licensing Law, establishing a State Board of Electrical Examiners to license various classes of electricians and electrical inspectors employed by municipalities; prohibiting the conduct of electrical work or serving as an electrical inspector except by licensed persons; requiring cities with more than 5,000 inhabitants and permitting any city or town to regulate electrical installations and to require permits therefor; exempting from the license requirement electrical work done in a building owned or occupied by the installer as his home, or outside of municipal limits or within the limits of cities, towns, or villages of less than 5,000 inhabitants unless required by ordinance therein, or by regular employees of a public service company in connection with its service and the installation, etc. of appliances and equipment, or by appliance dealers in connecting appliances, provided that the exempted work be subject to inspection and approval in accordance with local ordinances.

#### Electrification and Telephone

##### Enacted

Non-Profit Corporation Act - H.B. 145, approved May 11, 1959, Chap. 162, enacts a complete Non-Profit Corporation Act which is expressly made inapplicable to rural electric and telephone cooperatives. (Some consideration had been given to reincorporating



electric cooperatives under the non-profit corporation statute to avoid application of the service limitations imposed by the 1957 amendment of the Electric Cooperative Corporation Act.)

### Failed

Public Utilities Commission - H.B. 326, died in committee, would have established a Public Utilities Commission to regulate telephone, gas, and electric utilities, exempting consumer's cooperative societies or associations and municipal corporations, with respect to services and charges (no certificate jurisdiction).

Utility Taxation - Gross Receipts from Service in Cities and Towns - H.B. 740, died in committee, would have given municipalities the exclusive right to levy taxes not exceeding 3.5% on the gross receipts received by electric, telephone, and other utilities for service in incorporated cities and towns as compensation for the use of municipal property in furnishing service, to be in lieu of any franchise tax, license fee, or ad valorem tax; repealed Arts. 7060 and 7070, Rev. Civ. Stats. levying state gross receipts taxes on utility service.

- Gross Receipts Tax - H.B. 33, died in committee, a tax revision bill, would have amended Title 122, Rev. Civ. Stats., to make uniform at 1.5% the gross receipts occupation tax on electric and telephone utilities.

- H.B. 7, First Special Session, passed House and Senate as amended, but died in conference committee, an omnibus tax revision bill, would have amended Title 122, Arts. 7060 and 7070, Rev. Civ. Stats., to increase the various brackets of gross receipts occupation tax on electric utility business done in incorporated cities and towns, and on all telephone utility business done within the state. (The exemption of telephone cooperatives would have remained unchanged.)

- H.B. 21, First Special Session, failed, would have amended Article 7060 to increase (to higher rates in each bracket, exceeding those provided by H.B. 7, First Special Session) the gross receipts occupation tax on electric utility business done in incorporated cities and towns.

- H.B. 18, Second Special Session, passed House and Senate as amended, but died in conference committee, an omnibus tax revision bill, would also have amended Title 122, Rev. Civ. Stats., dealing with utility taxes.

Chattel Mortgages - Filing - Extension - H.B. 104, passed House, failed in Senate, would have amended Art. 5499, Rev. Civ. Stats., to require the periodic filing every six years of an affidavit for extension of chattel mortgages to avoid termination of their effectiveness as to third persons six years after their initial filing,

or the filing of any affidavit for extension. (Under existing law which affects REA mortgages executed by electric cooperative and commercial telephone borrowers, the initial filing constitutes notice until six years after the maturity of the debt secured. The change proposed by H.B. 104 would have involved additional work and expense to preserve the REA lien. Mortgages given by telephone cooperative borrowers would not have been affected as they are governed by special provisions of the Telephone Cooperative Act.)

Corporate Reports - H.B. 572, died in committee, would have required regular reports by all corporations showing officers, affiliated organizations, all fees and other income, and all expenditures, and all property owned, to be available only to the Secretary of State, the Commissioner of Labor Statistics and the Attorney General and to grand juries and judicial and quasi-judicial inquiries; made it unlawful to exact or receive any fees, monies, or income in excess of their reasonable requirements, or to expend same for political purposes; required keeping accurate books of account itemizing all receipts and expenditures; gives members and shareholders enforcement rights; and imposed criminal penalties.

Abandoned Property Act - H.B. 32, killed in House, would have enacted an Abandoned Property Act conforming to the Uniform Disposition of Unclaimed Property Act. As introduced, it included provisions for escheat to the state of unclaimed utility deposits and refunds and unclaimed cooperative dividends and distributions which were deleted by committee amendment. Question as to constitutionality of the bill was resolved in its favor by the Attorney General by Opinion No. WW-570, dated March 9, 1959.

- S.B. 1 and H.B. 6, First Special Session, failed, would have enacted escheat legislation substantially conforming to the Uniform Disposition of Unclaimed Property Act.

- H.B. 4, Second Special Session, died in House, would have added provisions to the existing Texas escheat law prescribing procedures for reports by persons holding personal property subject to escheat and prescribing penalties for failure to report; and providing for examination of their records to determine compliance with report requirements.

- H.B. 15, Third Special Session, died in House, was the same as H.B. 4 of the Second Special Session.

#### Telephone

##### Failed

Telephone Rates - H.B. 255, died in committee, would have required telephone companies seeking a rate increase from a city or from which a city seeks a decrease to take into account, in computing

its profit or loss, toll service revenues from telephone calls made from the city.

- Toll Charges for Rural Service - H.B. 899, died in House, would have amended Art. 1119, Rev. Civ. Stats., authorizing incorporated cities and towns to regulate utility rates, by including in the regulatory authority toll charges for rural service outside the city.

Utility Taxation - State Gross Receipts Tax - H.B. 728, died in committee, would have amended Art. 7060, Rev. Civ. Stats., by making telephone companies subject to the same State gross receipts tax as is applicable to electric service and repealed Art. 7070 imposing such taxes on telephone companies at different rates.



ALL INFORMATION CONTAINED HEREIN IS UNCLASSIFIED

DATE 11-11-2000 BY SP-6 [illegible]

REASON: [illegible]

DATE 11-11-2000 BY SP-6 [illegible]

REASON: [illegible]

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REASON: [illegible]

















State legislation affecting the  
REA program.

AUTHOR

1959

TITLE

